

JPRS-CRF-85-005

20 February 1985

China Report

RED FLAG

No. 24, 16 December 1984

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

20 February 1985

CHINA REPORT
RED FLAG
No. 24, 16 Dec 1984

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

CONTENTS

Twenty-Six Years of Pains Taken Over the Socialist Cause-- Studying the 'Selected Works of Zhou Enlai,' Vol 2 (pp 2-7) (Li Ping).....	1
Zhou Enlai Was a Model in Applying Dialectical Materialist Philosophy (pp 8-12) (Shi Zhongquan).....	11
Reading Comrade Mao Zedong's Three Letters on the History of China's Philosophy (pp 13-17) (Bian Yanjun).....	19
Some Questions Concerning Experiments of Comprehensive Reform in Sichuan's Rural Areas (pp 18-21) (Yang Rudai).....	28
More on the Leadership System of Socialist Enterprises (pp 22-26) (Jiang Yiwei).....	36
Great Achievements in Economic and Social Development in the 35 Years Following the Founding of the PRC (Statistical Data, Part XII)--The State of Minority Nationality Economic Development (p 27) (State Statistical Bureau).....	46
The Objective Basis of Not Changing the Policy of Invigorating the Domestic Economy and Opening to the Outside World (pp 28-29) (Zhang Qihua).....	50

The Art of Praising (p 30) (Lu Shi).....	54
How Do City Dwellers Look at 'Weizhuang'? (p 31) (Sun Shijie).....	56
New Explorations of the Explorers--On Lu Wenfu's Creative Work in the New Period (pp 32-35) (Chen Liao).....	59
Never Forget the 'Reliance on Two Things' in Invigorating Enterprises (pp 34-35) (Zhou Qisheng).....	64
Reform and Basic Social Contradictions (pp 36-41) (Zhang Jing).....	67
Why Are State Organs and Their Staff Prohibited From Engaging in Trade and Running Enterprises? (pp 41-42) (Xu Bing, Yin Lantian).....	78
Table of Contents of Issues No 13-24, 1984 (pp 43-48).....	81
Some Notes to the 'Reading Notes' (inside back cover) (Lu Tingying).....	96
Concise and Easy To Understand, With a Unique Style--Commenting on and Introducing 'Eight Decades of Modern China' (outside back cover) (Hua Ren).....	98

TWENTY-SIX YEARS OF PAINS TAKEN OVER THE SOCIALIST CAUSE--STUDYING THE
'SELECTED WORKS OF ZHOU ENLAI,' VOL 2

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 2-7

[Article by Li Ping [0500 1627]]

[Text] The "Selected Works of Zhou Enlai," Vol 2 is a collection of 56 articles. This volume has been selected and edited from the large number of reports, articles, speeches, letters, and telegrams written by Comrade Zhou Enlai after the founding of the PRC. It gives expression to the course of his arduous struggle for the party and people with unwavering loyalty over those 26 years, to much of his keen understanding and brilliant ideas on China's socialist transformation and construction, and to his lofty moral character and fine style. Studying the "Selected Works of Zhou Enlai," Vol 2 will help us a great deal and push ahead the reform and party rectification now under way.

I. Making Progress Through a Tortuous History

Over 26 years and more from the founding of the PRC to the day when Comrade Zhou Enlai left us, the Chinese people scored splendid victories, working hard with high spirits under the leadership of the CPC. And we have met serious setbacks, too. Comrade Zhou Enlai, as one of the party leaders and premier, set up an immortal monument in the history of the party and state and in the hearts of the people by unfolding work with great creativeness and making progress for victories, and by exerting his whole heart and soul to overcome setbacks and to change the situation. The "Selected Works of Zhou Enlai" is a miniature of this monument.

At the founding of the PRC, China confronted the ruins left over by the KMT's reactionary rule, some of its territory was yet to be liberated, thousands upon thousands of bandits were to be weeded out, the new government needed to be built and consolidated, bureaucratic capital had to be confiscated, relief needed to be sent to the disaster areas and the unemployed, the unfinished tasks of democratic revolution had to continue to be completed, the dangerous situation of the extreme confusion in finance and economy called for immediate change; full-scale reconstruction was ahead of us, and there were a thousand and one things to be done. Comrade Zhou Enlai did a lot of arduous work in all these respects. Before long, U.S.

aggression against Korea began. Comrade Zhou Enlai was vice chairman in charge of routine work of the CPC Central Military Commission, and promptly prepared the organization of the northeast border defense. He took part in drawing up the strategic decision to "resist U.S. aggression and aid Korea, to safeguard the motherland and defend our homes," and took on the responsibility of the arduous task of organizing the Chinese People's Volunteers to fight abroad, assisting Comrade Mao Zedong in drawing up the strategy and policies for campaigns of the Chinese People's Volunteers; in particular, he made tremendous efforts in the support of rear services; and later he led our side in the Korean truce talks. At the same time, he implemented and executed the principle of fighting the war, stabilizing the home situation, and building the country simultaneously, and drew up the First 5-Year Plan together with Comrade Chen Yun and others, which enabled China to smoothly enter large-scale, planned economic construction when the 3-year recovery of our country came to an end. He participated in the Geneva Conference in 1954, at which the agreement on the cessation of hostilities in Indochina was signed. In 1955, he took part in the Asia-African Conference held in Bandung, with the participation of 29 countries and regions, and made contributions to the success of the conference. He organized with success the implementation of the First 5-Year Plan and socialist transformation, and gave guidance to, and scored important achievements in, work concerning the united front, the intellectuals, and science and culture. In 1956, together with Comrades Liu Shaoqi and Chen Yun, he fought against the trend of rash advance in economic construction. As a result of struggling against rash advance and the earnest implementation of the principle of the Eighth CPC National Congress, the year 1957 became one of the fiscal years achieving the best results in China's economic work.

Between winter 1957 and early 1958, a campaign took place to counter the struggle against rash advance, which later developed into the "Great Leap Forward." The "Great Leap Forward" brought about extreme imbalance in the national economy, with the chief proportions suffering from serious imbalance. In November 1958, Comrade Mao Zedong called a conference at Zhengzhou, and began to correct the mistakes which had come to be understood at that time. In December the same year, Comrade Zhou Enlai theoretically summed up the problems of the "Great Leap Forward" at the national conference for advanced units in agriculture, and pointed out: First, a high rate of development must be based on objective possibility; and second, the law of planned development in proportion must be observed. In August 1960, together with Comrades Li Fuchun and Bo Yibo, he proposed the eight-character principle of "readjusting, restructuring, consolidating, and improving," which soon received the affirmation and approval of the Central Committee. As a matter of fact, readjustment was not limited to work concerning the national economy, but involved many fields of social life. Comrade Zhou Enlai expended painstaking care on the work. During this period, he and Comrade Nie Rongzhen prepared and organized the leading organ for the scientific research on guided missiles and aviation, and was in charge of the work of the special commission for the research and testing of guided missiles and nuclear weapons. With the successful explosion of China's first atomic bomb, he made a statement on behalf of the Chinese Government that China would never be the first to use nuclear weapons, advocating the

all-round prohibition and thorough dismantling of nuclear weapons. Between 1963 and 1964, he visited 14 Asian, African, and European countries, which promoted the friendship between the Chinese and the people of the world. Toward the end of 1964, he announced at the Third NPC that the task of readjusting the national economy was basically completed, and that a good job should be done in 1965 in the preparations for the construction of the Third 5-Year Plan beginning from 1966. He said that from then on, "China's construction cause will certainly be able to march forward with big and steady strides," which gave expression to the will of the people.

Before long, the "Great Cultural Revolution" took place. Comrade Zhou Enlai "took the whole situation into consideration, made persistent efforts, took infinite pains, and willingly bore the burden of continuing the normal work of the party and state, and reduce as much as possible the losses caused by the 'Great Cultural Revolution,' and to protect a large number of cadres inside and outside the party. He carried out struggles in all forms against the sabotage of Lin Biao and Jiang Qing counterrevolutionary cliques." ("Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC") He did his best to protect cadres inside and outside the party, and to safeguard the progress of industrial and agricultural production. In August 1967, Jiang Qing and her like attacked him for "wanting production only, but not revolution." In refutation, he said: "Without going in for production and construction, what will the people eat and use?" He personally wrote the manuscript of "Stop Resorting to Force." As early as 1967, he proposed the struggle against ultra-leftist ideological trends; he again proposed in 1968 that "ultra-leftist ideological trends must be repudiated." He exerted great efforts to correct "leftist," whether in economic work or cultural and educational work. After the smashing of the Lin Biao counterrevolutionary coup d'etat in September 1971, he was in charge of the routine work of the Central Committee with the support of Comrade Mao Zedong, and there was a turn for the better in the work in every field in our country. The situation of industrial and agricultural production improved somewhat. The reputations of a large number of leading cadres who had suffered attack and persecution were successively restored, and they resumed office. Important progress was made in China's diplomatic work as well: China's legitimate seat in the United Nations was restored; China and the United States announced the Shanghai joint communique, and the normalization of diplomatic relations between the two nations began; and China and Japan formally restored diplomatic relations. However, his efforts met with the opposition of the Jiang Qing counterrevolutionary clique. The campaign to oppose the "comeback of rightist trends," which began toward the end of 1973, and the so-called campaign to "criticize Lin Biao and Confucius," which began in early 1974, were actually against Comrade Zhou Enlai, spearheaded by Jiang Qing and her like. At this time, Comrade Zhou Enlai was seriously ill; however, he worked day and night, devoting his limited life to the cause of the party and people wholly and thoroughly, while doing his best to prevent the power of the party and state from falling completely in the hands of the "gang of four." At the First Session of the Fourth NPC in 1974, he reaffirmed the magnificent goal of the four modernizations, which had been first proposed at the Third NPC, based on Comrade Mao Zedong's suggestion. This became the legacy he left to the people throughout the country.

Comrade Deng Xiaoping said: "Comrade Zhou Enlai was a person who worked hard and would not be upset by criticism. He always worked 12 hours a day, and sometimes even more than 16 hours; he had been so all his life." At a time when the mistake of the "Great Cultural Revolution" was taking place, and when China was suffering from setbacks, the whole situation of the party and state was maintained only with some difficulty because Comrade Zhou Enlai gave expression to the will of the people in their opposition to the "Great Cultural Revolution," and played the role of mainstay. Comrade Chen Yun said: Without Comrade Zhou Enlai, the aftermath of the "Great Cultural Revolution" would have been unthinkable, and he managed to protect many comrades. It was precisely because a considerable number of comrades had been protected by Comrade Zhou Enlai that the smashing of the "gang of four" and the victory of the 3d Plenary Session of the 11th CPC Central Committee were organizationally ensured, and the Chinese people finally welcomed in a brand-new historic period of development.

II. Painstaking Efforts To Build a Modernized Socialist Power

The "Selected Works of Zhou Enlai," Vol 2 is very rich in content, and has made important theoretical contributions to Mao Zedong Thought. Here, I should like to attempt a concise discussion of Comrade Zhou Enlai's brilliant ideas and correct views on building China into a modernized socialist power.

In March 1949, the Second Plenary Session of the Seventh CPC Central Committee pointed out that from then on the focus of the party's work must be on the cities, while all items of work in the cities should center around and serve the central work of production and construction. The first article collected in the "Selected Works of Zhou Enlai," Vol 2 is a speech made in December 1949, which put forth the view that "production is the basic task of our new China," analyzed with creativeness the six relations between urban and rural areas, China and foreign countries, industry and commerce, the public and the individual, labor and capitalists, and superior and subordinate, and pointed out: "We must develop industry on the basis of developing agriculture, and raise the level of agricultural production under the leadership of industry. Without the basis of agriculture, it will be impossible for industry to advance; without the leadership of industry, agriculture will not be developed." For the first time the relation between basis and leadership concerning industry and agriculture was proposed, which was an important discussion of Mao Zedong Thought on the dialectical relations between industry and agriculture, and between urban and rural areas in the years of construction, and a further development of the relevant proposition put forth by the Second Plenary Session of the Seventh CPC Central Committee.

At the First Session of the First NPC in September 1954, Comrade Zhou Enlai pointed out: "Economic construction work has taken the primary position in the whole of national life." He proposed the modernization of industry, agriculture, transport and communications, and national defense; which was the earliest version of the four modernizations. He said that if we failed to realize modernization, it would be impossible for us to get rid of

backwardness and poverty, and our revolution would never achieve its goal. In the more than 2 decades that followed, he time and again proposed fulfilling the goal of modernization.

The First 5-Year Plan scored great victories. However, with the development of construction, the malpractices in the economic model adopted at that time were making themselves keenly felt. Therefore, in the mid-1950's, our party was looking for a socialist road suited to the characteristics of our country, based on China's conditions. Comrade Zhou Enlai was also exploring a road for socialist construction in China. He had some original ideas, saw the malpractices of that time, and attempted to correct them. However, there was a process of development in his ideology. In August 1950 he said that China's "orientation and goal are determined, however, we should probe our way step by step." While talking to some foreign guests in May 1955, he said, our orientation is socialism, as to how to make it come true, there should be correct steps and measures. Again, in a report made in October 1963, he pointed out: In order to build our country into a socialist power with the four modernizations, "it is necessary for us to explore a road to build socialism in China."

Comrade Zhou Enlai proposed a series of important ideas and views, such as:

1. Economic work should be truth-seeking. Between January and February 1956, he proposed that our plans must be practical, feasible, and truth-seeking, and that we should not make rash advances blindly. "Economic work should be truth-seeking," "socialist initiative should not be injured, however, we should not propose at will things exceeding practical possibility or without grounds, nor should we step up the pace at will, otherwise it will be very dangerous."

2. We should be active but steady, and should acquire a comprehensive balance. Comrade Zhou Enlai held that it was necessary to rationally stipulate the pace of development of the national economy based on needs and possibilities, and that our plans must be placed on an active but steady and reliable basis, so as to ensure the relatively balanced development of the national economy; key construction projects should be linked with overall arrangements, so that the various quarters of the national economy would be able to develop in proportion. These ideas and views played an important role in the smooth completion of China's First 5-Year Plan and in the quick results in the economic adjustment work that came later. In March 1962, he mentioned an antithetical couplet at a session of the central finance and economy group, the first line reading "Give priority to grasping food, clothing, and articles of daily use," the second line reading "Build agriculture, light and heavy industries in their respective order," and the horizontal scroll read "Comprehensive balance."

3. Take ownership by the whole people and collective ownership as the key link and private ownership as the supplement. In reference to the economic structure of our country, Comrade Zhou Enlai was for the existence of private ownership. He held this view back at the time when socialist transformation was basically completed. In the report to the Eighth CPC National Congress,

made in September 1956, he proposed that some handicraft industries could manage production and marketing on their own; and there was no need to organize them with some difficulty; in reference to commerce, a considerable number of pedlars should be maintained, and diversified management forms could be adopted, such as cooperative shops and groups, agents, and even purchasing and selling on one's own so as to serve people better. At the 44th Plenary Session of the State Council in 1957, he said that in socialist construction, among industry, agriculture, commerce, education, and the army, with the exception of the last, all professions and trades should be allowed to have some privately run enterprises, that it would be advantageous to make things somewhat lively. Later in a talk given in 1961, in reference to the economic structure in the socialist period, he said the bulk would consist of ownership by the whole people and collective ownership; however, there would be a third category of private ownership, which was supplementary in nature. He also said there was no hurry in changing the management form for pedlars; so long as they were convenient for the people and welcomed by them, they should exist for a long period of time, and bear sole responsibility for their profits or losses.

4. On the question of distribution, he persisted in implementing the principle of "from each according to his ability, to each according to his work," and opposed egalitarianism. According to him, egalitarianism encourages backwardness and impedes progress, which has nothing in common with Marxism and the socialist system, and it impedes the initiative of workers and staff in learning technology and improving labor productivity, which is very harmful to economic construction. Even in 1973, when the "Great Cultural Revolution" was in progress, he laid stress on the principle of "to each according to his work," criticizing the practice at the time that no difference was made between working more and less, between doing a good job and a bad job, between being competent and incompetent in one's work, or between doing a difficult and an easy job, which was not favorable to giving play to the initiative of the workers and staff. Boldly he pointed out: "It is advisable to adopt a necessary system of awards and penalties."

5. The relation between maintaining independence, keeping the initiative in one's own hands, relying on one's own efforts, and learning from the experiences and merits of foreign countries. At a national work conference held in July 1949, Comrade Zhou Enlai pointed out that it was necessary for us to change the colonial and semicolonial economy of China into an independent economy based on self-reliance. In December 1949 he said new China "should rely on its own efforts in production and construction and maintain independence and keep the initiative in its own hands in politics." Later, at the reception on the occasion of celebrating National Day in 1963, he said: "The Chinese people have all along adopted the principle of taking self-reliance as the key link, with obtaining foreign aid as the supplement." However, maintaining independence and keeping initiative in one's own hands and relying on one's own efforts does not mean closing oneself off. While talking to some foreign guests in May 1955, he said, we "are willing to learn from various countries regarding their experiences and merits in construction." He pointed out at the Eighth CPC National Congress in 1956, "Our ties with various countries in the world in economy, technology, and culture will

inevitably develop more and more with each passing day. Therefore, the idea of self-isolation in our cause of building socialism is also wrong." In practice, Comrade Zhou Enlai took an active part in developing economic ties with foreign countries.

6. Science and technology is the key. In 1953, Comrade Zhou Enlai pointed out: "The training of technological talent is the key to our national construction." At the First Session of the First NPC in September 1954, he remarked: "Without modernized technology, there will be no modernized industry." In his "Report on the Question of Intellectuals," made in 1956, he stressed: "Science is a decisive factor that has a bearing on our national defense, economy, and culture, and only when we master the most advanced science will it be possible for us to have a consolidated national defense, and a mighty and advanced economic power." At the CPPCC conference between January and February 1956, he issued the call to "march toward modern science and technology," and he personally grasped the drawing up of the 12-year long-term plan for the development of science and technology from 1956 to 1967. In 1963 he proposed that in order to realize the four modernizations and to build China into a socialist power, the key would be the realization of the modernization of science and technology.

Concerning the question of the correct handling of intellectuals, Comrade Zhou Enlai had a unique understanding and made outstanding contributions. At the 97th Session of the Government Administrative Council, he said: "The greatest insufficiency today is that of intellectuals. When any work is unfolded, we find that there are not enough intellectuals. Therefore, it is necessary to train a large number of intellectuals." Entrusted by the Central Committee in January 1956, he solemnly announced: The overwhelming majority of the intellectuals have already become part of the working class, and we must rely on the alliance of workers, peasants, and intellectuals. Later, there appeared in our country some erroneous understanding concerning the class nature of intellectuals. In February 1962, Comrades Zhou Enlai and Chen Yi corrected such erroneous understanding and reaffirmed: The intellectuals belong to the laboring stratum; they serve the people and belong to the socialist intellectual circles. At the Third Session of the Second NPC, held in February 1962, he gave a further explanation of the place and role of intellectuals in the socialist period, explicitly reaffirming that the overwhelming majority of China's intellectuals belong to the working people. "It is obviously wrong still to regard them as bourgeois intellectuals."

In reference to literature and art, physical culture, and public health, Comrade Zhou Enlai also proposed many outstanding ideas, which became the precious wealth of building socialist spiritual civilization in our country.

In order to ensure the smooth progress of the construction cause of our country, Comrade Zhou Enlai stressed that there must be a situation of unity and democracy at home. According to him, it is necessary to unite with all forces that can be united with, and to mobilize all factors that can be mobilized to take part in construction. Long ago he had proposed the idea of long-term coexistence between the CPC and the democratic parties.

Attending a meeting for cadres of the Chinese Peasants and Workers Democratic Party in November 1949, he proposed that the party in question should cooperate with the CPC. At a tea party held by the CPC Central Committee United Front Work Department in February 1951, he said that the democratic parties should not only build a new democratic society together with the CPC, but that they should enter the socialist society together, and that the democratic parties should develop, which would be favorable to pushing ahead the whole of the social work. According to him, with the existence of different political parties, there will be different opinions, and it is necessary to be good at listening to different opinions. He also pointed out that in the period of socialist construction, "dictatorship will continue, while democracy will be extended." Democratic centralism is practiced in our state; however, because the proletarian dictatorship has great power, if things are not handled well, democracy will often be neglected. Therefore, "constant attention should be paid to extending democracy, which has a greater essential significance." This is a very important concept, summed up from the experiences of the international communist movement and based on the actual conditions of our country, and a contribution to Marxist doctrine on the state.

In order to ensure the smooth progress of the construction cause of our country, Comrade Zhou Enlai stressed that there should be a peaceful international environment. With regard to work concerning our foreign relations, Comrade Zhou Enlai made many great contributions. He was one of the founders of new China's policy of peaceful diplomatic relations. On the eve of the founding of the PRC, the principles of the foreign policy of China were stipulated in the CPPCC common program, drafted under his charge as entrusted by the CPC Central Committee, included in which was the concept of "supporting everlasting world peace and friendly cooperation between the peoples of all nations." Toward the end of 1953, Comrade Zhou Enlai proposed the famous five principles of mutual respect for sovereignty and territorial integrity, nonaggression, noninterference in internal affairs, equality and mutual benefit, and peaceful coexistence in handling the relations between countries. He also proposed the concept of "seeking common ground while reserving differences," pointing out that mutual understanding between different countries should be reached on common ground, while attention should be attached to their different views. According to Comrade Zhou Enlai, all unsettled disputes between China and all other countries, including border issues, should be solved fairly and justly through the channel of peaceful negotiations based on the basic principle of striving for the relaxation of the world situation, and peaceful coexistence between all countries in the world.

Persisting in leadership by the party is the basic assurance for persisting in the socialist road. Comrade Zhou Enlai stressed the role of the party's leadership, and simultaneously pointed out: The party's leadership refers to the leadership of the party committee, and the leadership of the party organizations, but not to the leadership of any individual party member; and it is collective leadership, not the leadership of the individual. Even with party committees and party organizations, they should run things all by themselves without consulting others. As to the party members or leading

cadres themselves, they must work with modesty and conscientiousness. Our Party is a victorious party in power, and communist members should guard against the loss of the noble quality of working heart and soul and with enthusiasm in the service of the people, and against degeneration to the mire of bourgeois individualism; they should continue to study, make progress, and strive for the prosperity of our motherland, the happiness of the people, and the victory of socialism.

III. Learn From Zhou Enlai

Comrade Hu Yaobang has said: We should all work hard to learn from Comrade Zhou Enlai his farsightedness and revolutionary breadth of vision in his staunch faith that the proletariat will certainly emancipate the whole of mankind, we should work hard to learn from him the democratic spirit of regarding others as equals, we should work hard to learn from him his revolutionary style of being ready to take up the cudgel for a just cause, and we should work hard to learn from him his lofty moral character of being strict with himself.

Comrade Zhou Enlai devoted his life to the magnificent cause of the proletariat, wholly and thoroughly. From the founding of the PRC, he time and again taught us: We have won all our victories with the support of the people, which we should never forget; old, feudal, and bourgeois habitual forces will very easily affect, contaminate, and corrupt us if we lose our vigilance, and these things will worm their way in. He all along preserved his lofty ideals and noble moral character, possessed farsightedness and revolutionary breadth of vision, and expressed a staunch will to overcome all difficulties and danger. He said: "I am never discouraged, and my faith in the revolution and revolutionary optimism have always inspired me." Even when he was confined to hospital suffering from cancer, he still sang the "Internationale" with Comrade Ding Yingchao and the nurses in the ward.

Comrade Zhou Enlai faced the enemy with frowning brows and angry eyes and was good at struggle; however, he never put on airs before the people and the friends of the people, and regarded others as equals. He had a broad vision and was able to win over and unite with all those people that could be won over and united with. According to him, all our work is for the people, and communists must possess modesty and the spirit of self-criticism. And he said, it is such a big country we are managing; therefore, it is necessary to attach attention to listening to all kinds of opinions; if one accepts praise only but not criticism, and if one becomes puffed up because of achievements, one will be overcome by covetousness, and the greatest danger will be to lose one's communist conscience. According to him, democratic centralism is not only an organizational principle, but also a principle for our work, and "it is necessary for us to create such an atmosphere that whatever we say is open to discussion." Between the leadership and the masses, there should not be a spiritual wall separating them; and they should exchange their views on an equal basis. One should never regard oneself as the leadership and block all channels of speech. Some people indulge in the practice of "one person has the say," holding that whatever he says is 100 percent correct; but no one can be

absolutely correct in everything, there has never been such a person. This attitude and style of his made those people who worked under his leadership feel not the least difficulty. In everything, he always started from the actual conditions and adopted the mass line by closely connecting with the masses and drawing on the wisdom of the masses to improve himself; at the same time, he was always good at giving guidance to people with patience, helping and encouraging them to make progress.

For the party and the revolutionary cause, Comrade Zhao Enlai was never afraid of danger, and dared to take up the most difficult tasks. On the eve of the Asia-African Conference, KMT agents blew up, in Hong Kong, the airplane Princess Kashmir, which was scheduled to take the personages of the Chinese delegation to attend the Asia-African Conference, and were arranging an assassination group in Bandung. However, facing the danger, Comrade Zhou Enlai was not in the least afraid, and was bent on going to attend the conference. When the earthquake in Xingtai, Hebei, took place, he appeared in the afflicted area while the earth was still shaking. He drew a sharp distinction between the enemy and ourselves, and showed a deep concern for the comrades and people. He said the long-term revolution would easily confuse the difference between contradictions between ourselves and the enemy and contradictions among the people, "about which we must be meticulous." He gave expression to the upholding of justice and to the revolutionary style of being ready to take up the cudgels for a just cause as a communist. During the "Great Cultural Revolution," he did his best to protect comrades and friends inside and outside the party; while he was confined to the hospital because of serious illness in 1975, he still cared about and protected cadres, and one after another namelist of cadres that should be "emancipated" was sent out from the ward.

According to Comrade Zhou Enlai, we should be strict in criticizing ourselves, but show leniency in criticizing others, and our requirements for communists should be stricter. He was always very strict with himself. He made the famous statement that "we should study as long as we live, and remold ourselves all our lives," which he carried out to the letter. He said: "There are many things we do not yet know, and there are many things which we fail to understand their whys and hows of; and that is why it is necessary for us to continue to study, and to understand the whys and hows of things so as to make progress." According to him, we should acquire the spirit of being afraid when anything happens concerning our work, and we should not become in the least self-complacent and careless in the period of construction; ideologically, we should never be self-complacent, and we should overcome whatever shortcomings we have so as to make progress. If we should become self-complacent, we will retrogress. He was never satisfied with himself, and he always worked hard in his study, always strove for progress, and maintained the vitality of continuously making progress. He worked diligently day and night and dedicated his whole life to the people. He will always live in the hearts of the people and remain a model for us to follow.

ZHOU ENLAI WAS A MODEL IN APPLYING DIALECTICAL MATERIALIST PHILOSOPHY

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 8-12

[Article by Shi Zhongquan [4258 0112 3123]]

[Text] Zhou Enlai was one of the founders and leaders of new China. During his 26 years as premier, an important reason why he made great contributions in socialist revolution and construction was that he was a model in applying dialectical materialism. Volume 2 of the "Selected Works of Zhou Enlai" contains theses which profoundly summarize historical experiences in China's socialist construction, and many of his speeches and articles in this volume shine with the radiance of dialectical materialist ideology. In a speech in 1963, he said: "Instead of subjective idealism or mechanical materialism, we use the ideology of dialectical materialism as our guiding principle. Dialectical materialism enables us to understand objective laws better and to bring our subjective initiative into better play." ("Selected Works of Zhou Enlai," Vol 2, p 413) He always followed, applied, and exercised this philosophical theory.

Probing the Socialist Road Suited to China's Conditions by Proceeding From Objective Reality

The idea of building a socialist country with Chinese characteristics was proposed by the 12th CPC National Congress, but such an idea actually emerged in the works of revolutionaries of the older generation written shortly after the PRC was founded. In regard to leading the new country, they had already considered how to adapt the new system and new policies to China's conditions and how to make them embody China's characteristics; that is, they had already probed the socialist road with Chinese characteristics. Like the works of other party and government leaders written in the socialist period, which either have been or will be published, Volume 2 of the "Selected Works of Zhou Enlai" is a historical record of probing socialist with Chinese characteristics by proceeding from China's objective conditions.

In order to proceed from objective reality and to build socialism according to China's conditions, Zhou Enlai paid close attention to the following:

First, he viewed Marxist-Leninist theory as the guiding principle and not as abstract dogma. His analysis of the characteristics of China's national

bourgeoisie and his explanations of the special policy toward the bourgeoisie are examples of combining Marxist-Leninist theory with social practice in China. He also applied this principle when analyzing the problem of nationalities and explaining the party's policy on nationalities. In explaining the necessity for exercising regional autonomy on minority nationalities instead of practicing regional national republics as the Soviet Union does, he pointed out: Although China is a multinational country, it is different from the Russia during the Lenin era. Viewed from the development of the history of nationalities, China's various nationalities have intermingled, assimilated each other, and influenced each other; viewed from the development of modern revolutionary movements, China's various nationalities were oppressed and trampled on by imperialists, and they formed deep friendly feelings in the struggle against their common enemy and during the national democratic revolution; and viewed from the development of the economy of various nationalities, although minority nationality regions are "large and rich in resources," they are economically and culturally backward and need the help of the Han nationality for their rapid development. Therefore, "it is appropriate to exercise regional autonomy on minority nationalities in China, but inappropriate and impossible to establish national republics." (p 257) Zhou Enlai's explicit explanations of the party's policy on nationalities in accordance with the development of China's nationalities are a creative application of Lenin's principle of "national self-determination."

Second, he encouraged the spirit of learning from advanced foreign experience instead of mechanically copying it. At a government administration meeting shortly after the founding of the PRC, Zhou Enlai pointed out: In learning from the Soviet Union, we must not mechanically copy its experiences and must do our best to avoid its shortcomings and mistakes, so as to prevent ourselves from making errors. Although the Soviet mistake of one-sidedly developing heavy industry to the neglect of light industry and agriculture had not been totally exposed at that time, by proceeding from the fact that China is an agricultural country, Zhou Enlai pointed out: "We must develop industry on the basis of developing agriculture and raise the level of agricultural production under the leadership of industry. Without an agricultural basis, industry cannot go forward; without being led by industry, agriculture cannot develop." (p 10) Zhou Enlai was one of the party leaders who early on suggested correctly handling the relationships between industry and agriculture. His thesis developed the spirit of Mao Zedong's speech at the Second Plenary Session of the Seventh CPC Central Committee and was an initial expression of the principle of "taking agriculture as the basis and industry as the leading factor." Zhou Enlai's thesis also explains the relationships between cities and the countryside, between China and foreign countries, between industry and commerce, between the public and the individual, and between labor and capital. It was, in fact, the ideological basis of Mao Zedong's theory of the 10 major relationships.

In the First 5-Year Plan period, to probe into the socialist road suited to China's conditions, Mao Zedong put forward the idea of "having both industry and the people in mind" after he wrote "On the 10 Major Relationships." At the Second Plenary Session of the Eighth CPC Central Committee in November

1956, Zhou Enlai thoroughly explained Mao Zedong's idea. He said: The Soviet Union and some socialist countries are one-sidedly developing heavy industry to the neglect of agriculture, light industry, and the people's immediate interests, thus causing a serious imbalance in economic development. We should pay attention both to heavy industry and the people's interests. Only thus can we give priority to developing heavy industry. If we do not concern ourselves with the people's immediate interests but require them to tighten their belts, their standard of living will be lowered instead of being raised, their initiative cannot be brought into play, and heavy industry will come to a standstill even if it has developed. We should frequently recall this lesson. Due to various political and historical reasons, for a period of time the party overlooked this lesson. However, correctly handling the relationships between agriculture, light industry, and heavy industry remains the party's valuable lesson suited to China's conditions.

Third, he stressed the necessity for displaying subjective initiative and opposed doing things out of subjective imagination. His important economic thesis is to dialectically unite respect for objective laws with a display of subjective initiative, to develop economic construction in an orderly and steady manner according to objective needs and possibilities, and to oppose both rightist conservative ideas and rash actions. In early 1956, responsible persons of some departments and localities became hotheaded and acted blindly and rashly, thus creating a very bad situation in the national economy. At the Second Session of the Second CPPCC held in January, Zhou Enlai pointed out: We should avoid overreaching the present conditions and should not do things that could exceed objective possibilities. Otherwise we will commit the mistake of acting blindly and rashly. He subsequently pointed out: Economic construction should not be divorced from reality, from the masses, and from today's needs and possibilities. It is dangerous to act blindly and rashly. At the Eighth CPC National Congress, he further explained this thesis, stressing that "we should rationally determine the development rate of the national economy according to objective needs and possibilities and place our plans on a positive and reliable basis." (p 218) But the "Big Leap Forward" in 1958 negated these correct suggestions, thus doing serious harm to the national economy. In the first half of the 1960's, then summing up lessons in China's economic development, he pointed out: In exploring the road of socialist construction, we have been overanxious for quick results and many things have been done on too large and excessive a scale, which has left aftereffects. We can see that economic construction should be carried out in an orderly manner. The tortuous history of the past 30-odd years has proved this: The "Big Leap Forward" out of subjective imagination has nothing to be emulated; it is best to develop the economy in an orderly and steady manner according to objective needs and possibilities; and only by observing objective economic laws can subjective initiative be turned into a powerful productive force which creates material wealth.

Paying Attention to Investigation, Working Out a Correct Policy and Principles

Zhou Enlai once said: Man's thoughts are the reflection of the objective world in his mind, whether or not he admits this or is conscious of it. Materialists admit this and consciously try to make their thoughts correctly reflect the objective world. This is Zhou Enlai's summation of the theory of dialectical materialist reflection.

How can we consciously adhere to this line of thought? Zhou Enlai maintained that the fundamental method was to investigate and study. He practiced what he advocated and paid attention to investigation and study. He obtained initial knowledge by "looking at flowers while riding on horseback," and carried out investigation in selected units by "dismounting from horseback to look at flowers." In other words, he went deep among the masses at the basic level to investigate and invited the responsible persons concerned to investigate. He carried out direct as well as indirect investigations. He also conducted investigations while he was at work or during activities and when he had other contact. Therefore, he knew the situation better and more accurately than many people, even professionals. He was a party leader who was good at carrying out various types of investigations.

Especially when the party wanted to work out a major policy and principles did Zhou Enlai pay closer attention to carrying out systematic and meticulous investigations. For example, at the end of 1955, the CPC Central Committee decided that a meeting on the problem of intellectuals should be convened in January 1956. A 10-man group, which he headed, was formed to study the problems of intellectuals. Although the preparation time for the meeting was very short, he still conducted extensive investigations, such as inviting to a discussion some well-known intellectuals and the responsible persons of units which had many intellectuals, asking the Central Democratic League to investigate the attitudes and wishes of senior intellectuals, and collecting typical materials regarding intellectuals in seven cities, including Shanghai and Tianjin. After obtaining a large amount of information, on behalf of the CPC Central Committee, he took charge of the work of drawing up "The CPC Central Committee's (Draft) Instructions on the Problems of Intellectuals" and other documents. At the meeting, he delivered a "Report on the Problems of Intellectuals." The investigation before the meeting had an important bearing on formulating the documents and forming many correct views contained in the report, such as the assessment of the present state of China's intellectuals, the appraisal of the role of intellectuals in socialist construction, and the analysis of the class attributes of intellectuals.

Zhou Enlai stressed that while conducting investigations, it is necessary to use correct methods.

First, it is necessary to adopt a scientific attitude of seeking truth from facts. He held that investigation and seeking truth from facts are complementary to and conditional upon each other. On the one hand, investigation is a means of seeking truth from facts; on the other hand, whether this can

be done depends on whether the scientific attitude of seeking truth from facts is adopted. He pointed out: "Investigation requires the attitude of seeking truth from facts. It cannot be conducted arbitrarily." (p 346) While carrying out investigation, he always took the attitude of seeking truth from facts, respecting facts, and analyzing the development of matters.

Second, it is necessary to have a democratic spirit of listening to different opinions. This is an important characteristic of Zhou Enlai's attitude on investigations. At first glance, democracy and truth seem to be in two different categories. In fact, viewed from the theory of knowledge, a democratic attitude is important for obtaining truth. While conducting investigations, Zhou Enlai persisted in adopting a democratic attitude and listening to different opinions. In January 1958, the CPC Central Committee decided that he should take charge of the work of harnessing the Chang Jiang. In order to work out a plan for harnessing the Chang Jiang and to select an appropriate site for the Sanxia projects on the Chang Jiang, from the end of February to early March he led responsible persons and specialists of the departments concerned and the province in conducting an on-the-spot survey along the Chang Jiang, starting from the Su Jiang in Wuhan. At that time, a vice minister of electric power had different opinions on building the Sanxia projects. Zhou Enlai let him participate in the survey and encouraged him to freely air his views during a discussion. Zhou Enlai appreciated his courage and wisdom. In a summation report, Zhou Enlai adopted his appropriate suggestions and drew up the correct principle of "unified planning, overall development, appropriate division of work, and proceeding in stages" in building the Sanxia projects and harnessing the Chang Jiang. Zhou Enlai stressed that it is necessary to correctly handle the relationships between long-term and short-term plans; between the main flow of the river and tributaries; between the upper, middle, and lower reaches; between large, medium-sized, and small projects; between flood control, generating electricity, irrigation and shipping; between hydropower and thermal power; and between generating and using electricity. These suggestions still have important significance.

Third, it is necessary to adhere to the mass line. Zhou Enlai stressed that it is necessary to adhere to the mass line in the course of investigations, and he followed this line while conducting investigations. In 1961, he stayed to carry out an investigation in the Boyan commune of Wuan County, Hebei Province. Reading his daily records for the days he stayed in the commune enables us to witness his down-to-earth investigation among the masses. The daily records tell how he visited the production brigades, production teams, tractor-plowing station, and families of commune members in Boyan commune. Each day he had discussions with cadres, commune members, party members, and youth league members. He also learned about the situation in canteens and the problem of giving work points according to the work done. His investigation plus investigations by other responsible comrades of the central and local authorities played an important role in relaxing the rural policies and making the rural situation take a turn for the better. In the following year, recalling the investigation, he said: It was definitely not easy to conduct the investigation well, since, having been

Influenced by 4 years of exaggeration, the masses dared not tell the truth at the beginning. Only after I had paid a series of visits and had discussions with them were they willing to come out with what was on their minds. He stressed: "To find out about the real situation, you must treat the masses equally," and "to conduct investigation well, you must establish ties with the masses." (pp 350, 351) Zhou Enlai set a good example for the entire party. The investigation in the countryside of Hebei 23 years ago inspiring shows that he set an example for carrying out investigation among the masses.

Good at Applying Logic to Analyzing and Solving Problems

Zhou Enlai could obtain a correct understanding of things because he firmly adhered to materialism and was good at applying logic. His understanding was all-round, profound, and consistent with facts because of this. A foreign friend said that Zhou Enlai was never a fanatic or extremist. To an extent, this indicates Zhou Enlai's characteristic of understanding.

Studying Volume 2 of the "Selected Works of Zhou Enlai" enables us to see his detailed exposition and meticulous, all-round, and explicit analysis of the problem of understanding things in a dialectical manner. He applied logic in various fields of study, and in Volume 2, does so as follows:

First, he applied the concept of universal connections to analyzing problems, and he opposed understanding things in an isolated manner. Dialectics is a branch of science dealing with universal connections. Using the concept of universal connections to analyze problems is a basic characteristic of materialist dialectics. Of the universal connections of things, the connections between the whole and the part are the most important. Therefore, the concept of entirety (that is, the whole controls the part, the overall situation dominates the partial situation) plays a basic role in analyzing problems by means of the concept of universal connections. Zhou Enlai paid close attention to using this concept to analyze and handle complex economic relationships. Shortly after the founding of the PRC, he gave an instruction to various departments and commissions of the government that they should be familiar with the general policy on the country's politics, military affairs, economy, and culture, and demanded that "each unit have the concept of entirety." (p 7) Following the all-round development of economic construction, he strengthened the concept of entirety and stressed that it was necessary to carry out unified planning with due consideration for all concerned, to obtain what one was entitled to, to realize comprehensive balance, to develop the economy in proportion, to ensure key projects, and to pay attention to the overall situation. Prior to the Lushan meeting in 1959, he criticized the "Big Leap Forward," saying that its main problem was overlooking comprehensive balance and the planned and proportionate development of the economy. In a government work report in March 1962, he pointed out: To straighten out the disproportion caused by the "Big Leap Forward," our tasks for several years to come are to realize comprehensive balance, to make all-round arrangements, and to greatly readjust the proportion between various national economic departments so as to enable them to develop in coordination. Before the "Great Cultural

Revolution," this idea of comprehensive balance based on the concept of entirety played a momentous role in enabling the national economic situation to change for the better.

Second, he used the concept of overall development to analyze problems from the angle of their development, and he opposed understanding things in a rigid manner. The fundamental difference between materialist dialectics and metaphysics lies in the concept of development and the concept of connections. Zhou Enlai stressed: "It is necessary to consider problems in an overall manner from the angle of their development." (p 54) This viewpoint ran through many of his speeches and articles. This is also an important reason why his understanding could closely follow the development of history and the times. Take his analysis of intellectuals, for example, which was the result of investigating and understanding the great changes intellectuals had experienced since liberation. From some basic information, he knew that by 6 years after the founding of the PRC, of all intellectuals, progressive and middle-of-the-road intellectuals accounted for 80 percent, backward intellectuals lacking political consciousness 10 percent or so, and counterrevolutionary and bad intellectuals only a small percentage. Therefore, he explicitly pointed out: "A fundamental change has taken place over the past 6 years in China's intellectual circles," and "the great majority of them have become government functionaries who serve socialism, and have become part of the working class." (pp 163, 162) Doesn't Zhou Enlai's correct thesis sharply counter the comrades who still regard intellectuals as an "alien" force and thus refuse to implement the policy on intellectuals? We hope that these comrades will conscientiously study Zhou Enlai's ways of analyzing problems, stop practicing metaphysics, and thoroughly discard all prejudices against intellectuals.

Third, he used the concept of the presence of contradictions to clarify the relationships of opposites, and he opposed understanding things in a mechanical manner. Zhou Enlai maintained: Contradictions can be found in various aspects of matters, "it is necessary to observe problems from various angles" (pp 313-314), and "different opinions frequently emerge after people reflect on objective reality. One will negate what he has previously affirmed. Something is right when viewed from one angle but wrong when viewed from another angle. Only when all aspects are taken into account can a thorough understanding be acquired." (pp 389-390) In analyzing contradictions, it is necessary to understand not only the relationship of opposites within various contradictory aspects, but also the relationships of unity within various contradictory points. Only thus can an overall understanding be acquired. Zhou Enlai used this method to analyze art and literature, bringing to light the links between opposites in various contradictions in art and literature. When meeting representatives from literature and art circles in May 1959, he pointed out: In cultural and artistic work, it is necessary to walk on two legs; that is, to have both ideological and artistic stability, to be both romantic and realistic, to study Marxism-Leninism and to combine such study with practice, to have both basic training and literary and artistic accomplishments, and to have both a unique style and the influence of others. At a literature and art work forum and a feature film creation meeting in June 1961, he analyzed

the dialectical relationships in literary and artistic creations. He pointed out: The role of art and literature in education and entertainment is consistent, as education resides in entertainment. In other words, it is necessary to create works praising the glory of labor as well as providing expressive descriptions of people's free time. Performances should be made up as close to life as possible, should be done in earnest, and should "dialectically combine portrayals of reality and fantasy." (p 348) Before the "Great Cultural Revolution," many literature and art workers strove to understand the links between opposites in various aspects of their work, and they created some good works or performed good programs.

Fourth, he used the concept of the individuality of contradictions to make a distinction between different types of contradictions, and he opposed understanding things in a unitary manner. Different things have different contradictions. Materialist dialectical analysis lays special emphasis on the individuality of contradictions. Zhou Enlai paid close attention to using this analytical method. In handling foreign relations, he adopted different principles and policies toward different countries. He suggested that it is necessary to rely on the progressive forces, to win over the middle-of-the-roaders, and to split up the obstinate forces. As a result, the rigid method of dividing the world simply into "two big camps" was done away with, and a new trail was blazed in China's diplomatic work. In December 1953, for the purpose of improving Sino-Indian relations, he put forward the five principles of peaceful coexistence, which were taken as norms for relations between countries of different social systems. At the Bandung conference in April 1955, he put forward the idea of "seeking common ground while reserving differences," thus strengthening the unity of the Afro-Asian countries. On his tour to 14 countries in Asia, Africa, and Europe in January 1964, he put forward the eight principles for China's foreign economic and technological aid, further strengthening China's contacts with the Third World and enhancing China's prestige in the Third World and its position in the world. Zhou Enlai's flexible foreign policy enabled China to make brilliant achievements in its diplomatic work.

Volume 2 of the "Selected Works of Zhou Enlai" is an important political and historical document of the party. It is an ideological crystallization of Zhou Enlai's application of dialectical materialism to analyzing new China's politics, economy, culture, and foreign relations. After the founding of the PRC, Zhou Enlai shouldered heavy tasks and attended to numerous state affairs daily. He did not have much time left to engage in the special study of philosophy. However, as a great Marxist, he used Marxist philosophical theories and methods to solve many complicated problems in socialist revolution and construction. He indeed set a glorious example of combining Marxism with China's specific conditions. In studying contemporary Chinese philosophy, it is necessary to study not only contemporary Chinese philosophical theory, but also its application. Viewed from the development of the Chinese revolution, using philosophy to solve China's practical problems is an extraordinary, interesting, and lively matter, and this has a high value for development. But study in this respect is not good enough. Studying Volume 2 of the "Selected Works of Zhou Enlai" and knowing how revolutionaries of the older generation used philosophical theory to analyze and solve problems in socialist construction will give a great impetus to further probing into the socialist road with Chinese characteristics and to energetically carrying out the study of contemporary Chinese philosophy.

READING COMRADE MAO ZEDONG'S THREE LETTERS ON THE HISTORY OF CHINA'S
PHILOSOPHY

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 13-17

[Article by Bian Yanjun [6708 1750 6511]]

[Text] The two letters to Comrade Zhang Wentian in February 1939 included in "Selected Letters From Mao Zedong" and one letter to Chen Boda represent important literature from Comrade Mao Zedong on the history of China's philosophy. It was the first time that Comrade Mao Zedong in his works discussed in a relatively concentrated manner certain problems in the history of China's philosophy and assessed two figures of great weight. Though these three letters were written more than 40 years ago, Comrade Mao Zedong's incisive views on the history of China's philosophy and his down-to-earth attitude toward academic studies still have a great enlightening effect on our study of the history of China's philosophy and the correct appraisal of historical figures today.

These three letters from Comrade Mao Zedong put forth some views on three articles written by Chen Boda, including "Philosophical Thinking of Confucius." Meanwhile, they also reflected an important aspect of Comrade Mao Zedong's effort during the Yanan period to study and research Marxist philosophy.

The Yanan period was a time of our party's theoretical development and maturation. Comrade Mao Zedong's theoretical studies and his efforts in creating theory in this period were of decisive significance, as far as our party's theoretical buildup was concerned. Philosophy was the focus of Comrade Mao Zedong's research. In a letter to He Ganzhi in January 1939, he said: "I do not have enough tools to work with. This year I can only still keep on studying to make tools, or studying philosophy, economics, and Leninism, with the emphasis on philosophy." During the Yanan period, Comrade Mao Zedong studied many works on philosophy. Apart from the full texts of works by Marx, Engels, Lenin, and Stalin, he took up works by many scholars at home and abroad. His "On Practice," "On Contradiction," and the whole "'Outline for a Lecture' on Dialectical Materialism" can be described as works of profound and far-reaching influence written after he seriously studied philosophy.

That Comrade Mao Zedong devoted so much energy to studying and researching Marxist theory and serving the theoretical buildup of the party can be traced far back. At that time, a serious and urgent task facing the whole party was to get rid of "leftist" dogmatic mistakes theoretically, sum up the experiences in two civil revolutionary wars, unify party awareness and raise cadres' ideological and theoretical level. Comrade Mao Zedong availed himself of the relatively stable environment in Yanan to set himself to reading and also to organizing the whole party to study theory. Comrade Mao Zedong's three letters were written under such circumstances.

There are four problems relating to the history of China's philosophy taken up in these three letters:

1. The dialectical assessment of Confucius--the whole outline of philosophy being a discussion of concepts, but with one-sided truth in it.

Confucius was a philosopher of the greatest weight in the history of China. The Confucian school of thought founded by him was at that time the greatest. There has been a difference of opinion on how to assess Confucius and his philosophical thinking throughout history. Nor is there consensus now. Comrade Mao Zedong did not take up Confucius' philosophical thinking fully and systematically in these three letters, but therein put forth many views never raised before. These views provide enlightenment for us in the study of Confucius and his philosophical thinking.

On Confucius' philosophy, Comrade Mao Zedong held the view that: "It is a discussion of concepts, as far as the whole outline of philosophy is concerned," that is, idealism. This was a judgment, with Confucius' idea of "correct names" in mind. Confucius' theory on correct names played a dominant role in his philosophy. Toward the end of the Spring and Autumn Period, for economic reasons, class relations changed dramatically. The position of the emperor of the Zhou Dynasty had been shaky. The federal princes in various areas were quick to assert themselves as kings. As a conservative thinker, Confucius attempted to restore the despotic slave-owning stratified patriarchal clan system of Western Zhou and thus put forth his theory on correct names. In the "Confucian Analects," it was recorded that in answer to his disciple Zi-Ju's question, Confucius said: "What is necessary is to rectify names. If names are not correct, language is not in accordance with the truth of things. If language is not in accordance with the truth of things, affairs cannot be carried on to success. When affairs cannot be carried on to success, proprieties and music will not flourish." In Confucius' opinion, "correct names" are unusually important and must be put first. "Incorrect names" will give rise to a string of "evil" consequences. Only with the use of "correct names" can "language be in accordance with the truth of things," can "affairs be carried on to success," and can "proprieties and music flourish." For this reason, on his trips to various states, he preached everywhere the correct-name idea that "a sovereign should be a sovereign, a minister should be a minister, a father should be a father, and a son should be a son." He held that a sovereign must assert his role and exercise his monarchical authority. A minister must know his own place and act like what he should be. A father

must have dignity of a father about him. A son must act according to his father's will. Sovereigns, ministers, fathers, and sons must all act the role that they each assume according to the proprieties of Zhou and must make a strict distinction between close and distant relatives, between the noble and the humble, between superiors and subordinates, and between the higher and the lower levels, in order to keep those below from going against those above.

Though not specially devoted to the theory of knowledge, these sermons from Confucius objectively dealt with the problem of relations between what is in name (concepts) and what is in fact (concrete things). Of the line, "a sovereign should be a sovereign and a minister should be a minister," the first word "sovereign" or "minister" refers to concrete people acting as a sovereign or a minister and thus what is fact. The second word "sovereign" or "minister" refers to what is abstract in "name." Confucius held that it was necessary to use this abstract "name" to rectify a concrete "fact." Only with the abstract "name" made clear can the "fact" automatically agree with the "name." His starting point was the "name," and the "fact" was only placed in a subordinate position. This is of course idealism through and through. Just as Comrade Mao Zedong said, "Confucius put what is in name first. We on our part, put what is in fact first. Here lies the difference." This clearly shows the characteristics of Confucius' philosophy.

Then, does Confucius' idealistic philosophy have nothing in it or nothing worth speaking of? Comrade Mao Zedong held that Confucius' conclusion that "If names are not correct, language is not in accordance with the truth of things; if language is not in accordance with the truth of things, affairs cannot be carried on to success..." is correct "as part of philosophy, or as the theory of practice. This means more or less the same as the idea that 'there is no correct practice without correct theory.'" "All discussions on concepts have one-sided truth in them. The same is true of Confucius." How to interpret this problem of one-sided truth? We know that knowledge and practice represent a process. This process can be divided into two stages, that is, from practice to knowledge and again from knowledge to practice. These two stages are inseparably linked. It is wrong to one-sidedly stress either of them. The mistake of the idealist theory of knowledge lies in its magnifying knowledge as what comes first and treating it as what decides practice, thus reversing the inherent relationship between practice and theory. The study of the stage of knowledge did find full development among idealist philosophers before Marx. Its results were absorbed by writers of Marxist classics into their own theory of knowledge. In the article "Something on the Problem of Dialectics," Lenin pointed out that any fragment or bit in the process of knowledge can turn into an independent complete straight line. This straight line can lead people to the quagmire of idealism. He graphically spoke of idealism in an analogy as a flower that does not "fructify." Comrade Mao Zedong's view is synonymous with Lenin's thinking. He pointed out: "Philosophy on concepts has a good point that recommends it. It is the emphasis on the subjective initiative. This is exactly true of Confucius. So this aroused people's attention and won support. One of the important reasons why mechanical materialism cannot overcome the idea on concepts is that it overlooks people's subjective

initiative." Idealism has its roots in the theory of knowledge. Mechanical materialism cannot thoroughly triumph over idealism because it cannot provide a correct understanding of and a solution to this problem. Only dialectical materialism can provide a scientific explanation.

Comrade Mao Zedong also held that there are "many dialectical elements in Confucius' philosophy." He gave several categories of them, such as "name and fact," "language and quality," "speeches and acts," and so forth. Though he did not elaborate upon them, he affirmed Confucius' explanations of these problems. This is of great significance philosophically. Comrade Mao Zedong called on people to study "dialectical factors" in Confucius' philosophy from an objective scientific standpoint. He reminded everyone that we should fully explore and carry on the fine heritage in our country's philosophy and develop our national spirit. Meanwhile, a new aspect was provided in the study of Confucius' philosophy.

2. The historical assessment of Mo Zi--our great ancient dialectical materialist.

Mo Zi was an outstanding thinker who rose from the small-producer class. Though he was from a class somewhere in between senior officials and the common people, his philosophy mostly reflects the interests of "peasants and workers." His pupils were mostly from among the laboring people at the lower levels. They had a wealth of production practice and knowledge. They also took an active part in political activities. Therefore, this school of thought also produced a great influence.

Comrade Mao Zedong affirmed the materialist trends in Mo Zi's philosophy considering him as China's Heracleitus.

Materialist tendencies in Mo Zi's philosophy find expression in his advocacy of "nothing to do with predestination" and his emphasis on "human efforts." We can see from his views on the differences between men and animals. He said: "Men are different from animals--David's deer, cockroaches, birds, and insects. This is because animals have fur or feathers for clothes and have hooves and such for shoes. They need nothing more than drinking water, grass and such to keep them alive. Males need not trouble about farming and gardening. Females need not bother about weaving and knitting. They are well provided with food and clothes. What sets men apart is that they must rely on their own efforts to keep alive. Those who do not do so cannot survive." (Chapter: "Fei Le" [7236 2867]) He was of the opinion that the difference between men and animals is that men must "rely on their own efforts." This is because animals can live off what is provided by nature, being born with fur or feathers for clothes and hooves and such for shoes and having water and grass for food. Men are not provided with such natural conditions. Men must rely on their own labor to create what is needed in life and to keep alive. Therefore, Mo Zi put forth the idea of "devoting efforts to doing things." He held that "he who drives hard is bound to rise in social position and he who does not will remain humble in status." "He who works hard is bound to get rich; he who does not is bound to be poor." "He who works hard is bound to keep well fed; he

who does not is bound to go hungry." "He who works hard is bound to keep warmly clad; he who does not is bound to suffer from cold." In his view, things like a noble or humble social position, wealth or poverty, and so forth are not preordained and can be changed through subjective human efforts. This reflects the laboring people's defiance of natural calamities and social darkness and their unflinching spirit of struggle in the face of difficulties.

On the theory of knowledge, Mo Zi put forth the "method based on three criteria." "What is said must be judged by the three criteria. What are the three criteria? They have to do with the source, the experience, and the results. What is the source? The source may be traced to what ancient sages said. What is the experience? The experience may be based on observations of facts of life among the people. What are the results? Results have to do with the interests of the state and the common people. These are the so-called three criteria for judging what is said." (Chapter: "Fei-ming-shang" [7236 0730 0006]) Mo Zi held that the criteria for judging the right and wrong of a speech or a concept must be based on the following: 1) We must refer to historical experiences and find a historical basis. This means that "the source may be traced to what ancient sages did." 2) We must be based on people's personal experiences and observe what the laboring people actually see and hear. 3) We must pay attention to the actual results of practice and see whether they are compatible with the interests of the state and the people. We can see that there is some vagueness about what Mo Zi said, such as lumping the state together with the people and one-sidedly stressing the experiences of so-called ancient sages. But his starting point was materialism. He stressed linking the indirect experiences (historical practice) of the ancients with the direct experiences (actual practice) of moderns as a yardstick for judging a speech. This was a praiseworthy act given historical conditions at that time.

In the philosophy of the Mo Zi school, there are also many incisive dialectical views, such as the idea of "halves and ends." Comrade Mao Zedong held that "this seemingly refers to what is limited and what is unlimited." The chapter "Jing-shang" [4842 0006] says: "An end means the farthest or last part, symbolizing disorder." The chapter "Jing-shuo-xia" [4842 6141 0007] says: "If we cut a thing in half, we get two halves. Each half has two ends. If we again cut a half in two, we again get two ends of a half." In their view, an end has the characteristic of being "disorderly" and infinitely small. How to bring about an end? If we keep cutting up a long object endlessly, what we get are "ends." Each act of cutting brings with it "halves." Ends and halves are interrelated. Where there are no halves, there are no ends. Ends exist in halves. We can see that the idea of "halves and ends" represented by the Mo Zi school of thought is a very simple one. But to a fairly large degree, it comes close to our present understanding of the concept of "there being a limit or no limit."

"Differences and similarities" is also a category of philosophy from the Mo Zi school. In the chapter "Da-qu" [1129 0648], it was pointed out that: "What is similar must be treated as similar. What is different must be

treated as different." There are both similarities and differences in the things of the world. "Similarities" represent the universal characteristics that things have in common. So they must be "treated as similar" or recognized. "Differences" are what exist between things and they have areas of difference which must be differentiated. "Given two things, there are differences." So long as there are two things, there are naturally differences. These differences are what should be differentiated. All these viewpoints have in them dialectical elements.

In sum, the materialist tendencies and the outstanding dialectical thinking in the philosophy of Mo Zi and the Mo Zi school determined Mo Zi's place in the history of China's philosophy. Despite the limitations of historical conditions and the level of development of social production, his philosophy was still marked with great spontaneity and simplicity. However, his achievements in philosophy and natural sciences reached a then advanced level. It was no exaggeration for Comrade Mao Zedong to draw a parallel between Mo Zi and our "great ancient dialectical materialism."

3. The mean--an important way of struggle between two philosophical fronts.

The mean was a problem repeatedly mentioned in Comrade Mao Zedong's letters. It was treated as an important way of thinking where the struggle between two philosophical fronts was concerned. This was a new view put forth by Comrade Mao Zedong.

The problem of the mean was a subject of relatively heated argument between the two schools represented by Confucius and Mo Zi. The Confucian school advocated the following: "Standing erect in the middle, without inclining to either side," "going too far is as bad as not going far enough," and "taking hold of two extremes, determining the mean and employing it in the government of the people." What the Mo Zi school advocated was: "If a person's rights are to be upheld, the harm of abusing power must be prevented," "leaning to neither of two sides," "do not waver in upholding what is right," and so forth. Comrade Mao Zedong held that these ideas "mean the same thing as affirming the stability of quality. For the sake of qualitative stability, a struggle between two fronts is waged, and the practice of either going too far or not going far enough is opposed." "All philosophies, all ideas, and all that represents everyday life must be made a subject of struggle between two fronts in order to affirm the quality of relative stability of things and concepts."

Comrade Mao Zedong held that there was something wrong with Chen Boda's interpretation of "leaning to neither of two sides" represented by the Mo Zi school as "exactly a case of Mo Zi seeing two sides to a given quality and calling for leaning to neither side. This only means what is in the middle and what really suits that quality." Mao Zedong pointed out: "There are two sides to a quality. But there is one side of quality in a given process that is the main one, which is relatively stable. There must be inclination--an inclination toward this side. So-called given quality or a quality refers to this side. This is quality; otherwise quality is negated." He further supplemented Zhu Xi's explanation of the "two extremes" in "taking

hold of two extremes, determining the mean and employing it" as "extremes in differences of public opinion." He pointed out that Zhu Xi did not make it clear that "this means 'going too far' and 'not going far enough.'" He said: "'Going too far' means what is 'leftist' and 'not going far enough' means what is right. As far as our viewpoint is concerned, going too far and not going far enough mean the operation of certain things in time and space. When their development reaches a certain state, their given quality should be found out and determined, where the relations of quantity are concerned. This means 'the middle,' or 'the mean,' or 'the course of the mean.'" There is something unique in these views of Comrade Mao Zedong. Historically everyone from Dong Zhongshu to Zhu Xi interpreted Confucius' thinking as teachings intended to preserve the feudal ethical code. The mean was also interpreted as a way of thinking calling for inclining to neither of two sides. In contemporary times, bourgeois scholars have also often interpreted the mean as "reconciliation" and "compromise," using it to oppose reforms in the revolution. For a long period of time and especially in the 10 years of turmoil, the concept of the mean in the minds of people within the party seemed only something conciliatory and eclectic of the right and had not the least in it worth speaking of. This is inseparable from a long period of a wrong idea of the viewpoint of class struggle. Anyone who most actively devoted himself to struggle was considered the most revolutionary. Any reference to "the mean" and "moderation" was linked with something conservative and unrevolutionary. A study of all these views of Comrade Mao Zedong on the mean more than 40 years ago can help us arrive at a more comprehensive understanding of the concept of the mean.

Opposing erroneous "leftist" and rightist trends had been Comrade Mao Zedong's consistent thinking. In the article "Several Important Problems on the Existing Party Policy," he gave a very good illustration of this problem. He said: "In opposing 'leftist' and rightist trends within the party, we must decide upon a policy based on concrete conditions. For example, when the army is winning on the battlefield, we must guard against 'leftist' trends. When the army is fighting a losing battle or is unable to win many battles, we must guard against rightist trends. In areas where the land reform has not been really started among the masses, or where struggle has not yet unfolded, we must guard against rightist trends. In areas where the masses have seriously launched or unfolded struggle, we must guard against 'leftist' trends." ("Selected Works of Mao Zedong," Vol 4, p 1211) Since the downfall of the "gang of four," the party Central Committee and Comrade Deng Xiaoping, carrying on and developing this glorious tradition from Comrade Mao Zedong, have quickly and correctly waged struggle on two fronts. When the party was still suffering from the bonds of "leftist thinking" with various tasks in a stagnant state, we actively supported the discussion of the problem of "the criterion of truth" and led the whole party in an effort to turn chaos into order, enabling the party to restore the ideological line of seeking truth from facts, in regarding the party's guiding thought. When the whole party was getting rid of the consequences of the "Great Cultural Revolution" and summing up relevant experiences and lessons, an erroneous trend of thought again arose from within and outside the party casting doubt on party

leadership and on the socialist system. On behalf of the CPC Central Committee, Comrade Deng Xiaoping quickly called for upholding the four fundamental principles and directing efforts toward socialist modernization with Chinese characteristics, thus enabling the whole party to maintain a sober idea of things at all times. Struggle between two fronts was waged in a timely and correct manner. Erroneous "leftist" and rightist trends were opposed, such as "going too far" and "not going far enough." This is an important indication of a mature party. The "left" and the right are two extremes. They depend on each other and transform into each other under given conditions. We must fight what is "leftist" where it exists and fight what is right where it exists. Only in this way can we bring about the healthy development of the party's cause.

4. Confucius' moral concepts should be observed and criticized.

In a speech on "Dialectical Materialism" as early as July 1937, Comrade Mao Zedong said: Whether understood or not, all philosophical doctrines were determined by given social life and gave expression to the needs of given social classes and to the level of development of social production and the historical stage of mankind's awareness of nature. Therefore, philosophy cannot be studied for its own sake and the study effort must be made to serve reality and answer the problems posed in real life. In a letter to Zhang Wentian on 20 February 1939, Comrade Mao Zedong pointed out: "Confucius' moral concepts should be subjected to materialist observation and greater criticism, so that they can be distinguished in a principled way from the Kuomintang's moral concepts (the Kuomintang most fond of quoting Confucius in this respect)." Confucius' moral concepts have traditionally been cherished by the ruling classes. The Kuomintang acted most prominently in this respect. To cover up their true features of being against the people and against the revolution, they dressed up as the embodiment of morality advocating the so-called "dying for a just cause," "wisdom, kindness, and courage," and so forth. Comrade Mao Zedong called for observing Confucius' moral concepts historically and materialistically. This is because theoretically he wanted to thoroughly make clear and criticize Confucius' moral concepts and expose the false and reactionary nature of the Kuomintang reactionary group. The aim was to educate the people.

Starting with an analysis of "wisdom, kindness, and courage," Comrade Mao Zedong criticized Confucius' moral concepts. He pointed out: As far as Confucius was concerned, "wisdom (theory), not being based on objective facts, is dogmatic and conceptual. As to kindness and courage (practice), it can only be a case of being kind to the ruling class and not kind to the masses and having the courage to oppress the people and defend the feudal system and not the courage to serve the people." Comrade Mao Zedong incisively exposed the class nature of Confucius' "wisdom, kindness, and courage." He further pointed out: "Wisdom, kindness, and courage have been called 'three moral virtues.' This is due to a traditionally vague idea of things. Wisdom represents theories, ideas, plans, programs, and policies. Kindness and courage represent an attitude that should be assumed in putting theories, policies, and so forth into practice." The suggestion of "wisdom, kindness, and courage" is a logical shambles.

Comrade Mao Zedong pointed out: "During the several thousand years since Confucius, such stuff as 'kindness' has been exploited by befuddled thinkers who have put forward concepts, leaving things in a mess and really causing people no small harm." He stressed that "Confucius' moral principles in these categories should be subjected to historical-materialist criticism and put in a proper place."

From Comrade Mao Zedong's three letters, we can see that there is nothing ideologically hollow about his analysis and treatment of problems in the history of China's philosophy. In every way, he had the realities of actual struggle in mind and based himself on the live soil of real life. This is what every one of our philosophical workers and theoretical workers should seriously follow.

CSO: 4004/14

SOME QUESTIONS CONCERNING EXPERIMENTS OF COMPREHENSIVE REFORM IN SICHUAN'S RURAL AREAS

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 18-21

[Article by Yang Rudai [2799 3067 1486]]

[Text] After the 3d Plenary Session of the 11th CPC Central Committee, like other provinces of our country Sichuan carried out reform of the economic structure, which is of far-reaching historical significance, in its rural areas. This reform has filled the countryside with life and vitality. Over the past 5 years and more, the reform has been carried out by and large in three stages. In the first stage, we reformed the previous collective economic structure of production brigades, introduced the system of contracted responsibility for production with remuneration linked to output across the countryside, and overcame the malpractice of "eating from the same big pot" so as to boost the enthusiasm of the peasants. This was the starting point in reforming the rural economic structure and also the motive force in stimulating reform in other fields in the rural areas. In the second stage, we reformed the managerial system of people's communes. The "integration of government administration with commune management" was replaced by the separation of the party from government administration and the separation of government administration from commune management; and the peasants organized specialized cooperative economic organizations of various forms and sizes in line with local conditions. In the third stage, we have been carrying out comprehensive reform as an experiment in some selected counties. The comprehensive reform at the county level is another campaign in the current reform of the rural economic structure and is decisive for the overall development of the rural economy. It is also of great significance to the restructuring of the national economy as a whole, with focus on the urban economy.

I

In Sichuan experiments in rural comprehensive reform were first staged in Guanghan, Qionglai, Xindu and other counties. Over the past few years, they have emancipated their minds and boldly carried out experimental reform in various fields in an exploratory way. In reform each laid particular emphasis on its own problems and had its own strong points, but on the whole, they can be summarized in the following few aspects:

1. The economic responsibility system has been set up in agricultural production and all other fields so as to combine responsibility, authority, and benefit and bring into play the initiative of laborers and production units. In these experimental counties the system of contracted responsibility for production with remuneration linked with output has been introduced across the rural areas, related responsibility systems of various forms have also been instituted in factories, shops, offices in charge of scientific and technological work, and party and government organizations.

2. Adhering to the principle of bringing into play the enthusiasm of the collective and the individual, these experimental counties have built a diversified economy in agriculture, thus gradually changing the single-product economy of agriculture and enabling agriculture to provide more farm products for the market. On the premise of raising the per unit yield of grain crops and maintaining a steady increase in the gross output, they have rationally readjusted the distribution of crops in order to increase growing of industrial crops, use waste hillsides, flood lands and water surfaces to develop planting and breeding industries, and exploit local natural resources and trained personnel to run town enterprises of different kinds.

3. They have gradually developed the combination of agriculture, industry, and commerce in order to change the situation in which the countryside can only provide farm and sideline products. They also set up enterprises which combine agriculture with industry and commerce on a trial basis. They develop the combination of agriculture, industry, and commerce mainly by bringing into play the advantages of local natural resources, labor force, technology and transport facilities. Varied forms of enterprises which combine agriculture with industry and commerce have begun to cut across lines between administrative regions, trades and systems of ownership.

4. Some links in agricultural production, and technological service have begun to separate themselves from the "small but all-embracing" production operation and are moving toward specialization and socialization. The way of independent operation has been gradually adopted in the fields of seed-breeding, plant protection, agricultural technological service, agricultural machinery supply and repairs, fodder supply, marsh gas development and accounting service. They have been formed into specialized service companies (stations), which are not restricted by administrative regions and systems of ownership, but are coordinated in a wider scope for comprehensive service trades.

5. While bringing into play the channeling role of state-owned commerce and the supply and marketing cooperatives, they have gradually established an open, multichannel commodity circulation system with as few levels as possible. They have reformed the structure of the supply and marketing cooperatives in an effort to restore the nature of the cooperative commerce of the peasants. Meanwhile, they have also established the supply and marketing companies and warehouses under the commune-run and brigade-run enterprises, and other collective and individual businesses.

6. After changing the structure of integrating government administration with commune management, they have set up party committees and governments at the township level and economic organizations of various descriptions to meet the needs of dividing work between the party, the government, and the enterprise. They have established townships on the basis of previous communes and villages on the basis of previous production brigades, and most of the production teams have been built into local economic associations. Townships have their own financial offices in charge of revenue and expenditure and control of capital in various fields.

7. To satisfy the needs of restructuring the rural economy, they have carried out initial reform of the managerial system and personnel system at the county level. In this connection, they have drawn a clear line of work division with regard to the party, government and economic affairs. They have simplified administrative organs and set up efficient offices in charge of economic affairs. They have also reformed the managerial system of cadres by transferring power of controlling cadres to a lower level and introducing the system of electing and recruiting the leadership of enterprises and institutions.

8. While working for a high level of material civilization, they are striving to build a high level of spiritual civilization in the rural areas. They have started reforming the education system, intensifying the development of intellectual resources, and seeking and absorbing talented people in the rural areas. They have reformed the rural medical system and firmly implemented the policy on family planning. Meanwhile, they have strengthened the rural work in the propaganda and cultural fields and built a number of civilized villages and townships.

The experimental reform in these selected counties has yielded good results and accelerated the economic development. The value of the total industrial and agricultural output and per capita income in these selected counties as well as the public revenue are much higher than the provincial average level. Compared with 1978, the year prior to reform, the gross output value of industry and agriculture, the public revenue, and per capita income of Qionglai County all doubled in 1983; the gross output value of industry and agriculture in Guanghan and Xindu Counties went up by 71.1 percent and 62.6 percent respectively; the public revenue, by 59.1 percent and 59.5 percent; and per capita income, by 167.4 percent and 100.7 percent. The developed production has benefited the state, the local authorities, the enterprise, the collective and the individual as well.

II

Experiences gained in experiments in comprehensive reform in Guanghan, Qionglai, Xindu and other counties can be mainly summed up as below.

First, provinces and prefectures (cities and autonomous prefectures) assign fixed quotas to counties in the public revenue and purchase of grain and major farm and sideline products. This is a prerequisite for changing the practice of "eating from the same big pot" in revenue and expenditure at the

county level, and for respecting decisionmaking powers given to counties in developing the economy in line with local conditions so as to boost the enthusiasm of counties and expedite the economic development. As a result of "assigning fixed quotas to counties in three respects," the state, the collective and the individual all benefit from the robust growth of production. Facts show that this practice enables counties to bring into play their subjective initiative, rationally adjust the economic layout, promote business operations by linking agriculture, industry and commerce together, accumulate capital for construction, and make proper use of their natural resources. This practice also enables counties to shake off fetters and go all out to speed up the economic development in the light of the state macroeconomic plans, and enables them to properly handle the economic interests of the state, the local authorities, the enterprise and the individual, to arouse the enthusiasm of all the parties concerned and to push ahead with economic construction so as to make more contributions to the state. For example, Qionglai County, a county depending on state financial subsidies because of low yield in agricultural production, was given 7.74 million yuan as subsidies by the province and prefectures in the 3 years before 1981, the year prior to the practice of assigning fixed quotas in the public revenue, but in the past 3 years after they were assigned fixed quotas in this respect, they submitted a total of 7.44 million yuan to the state instead. The previous secretary of the Guanghan County CPC Committee said by metaphor: "This is like apiculture. In honey gathering, we should not take away all, but should leave a little to the bees. In winter we should feed bees sugar as beebread so that they can breed quickly and produce more honey." This figure of speech vividly epitomizes the essence of the practice of "assigning fixed quotas in three respects."

Second, we should select and promote those who are qualified under the "four modernizations" requirements and are bold in reform to leading posts at different levels. One of the major aspects in reform is boldly promoting talented people. The rural comprehensive reform involves many respects such as the managerial system, the setup of production, the ways of doing business, methods of distribution and the system of commodity circulation. Under such circumstances, carrying out comprehensive reform for experiments in some selected counties certainly meets with many difficulties and obstacles. Without a certain number of pathbreakers who can advance despite difficulties and are firm and indomitable, it is very difficult for us to make vigorous strides and create a new situation in reform. There are now 28 counties selected by the province for carrying out rural comprehensive reform as an experiment. But in the past few years the path of reform was quite uneven and the economic results achieved were different. This was mainly due to different guiding principles cherished by leading groups. A good leading group can restore a dying enterprise to life again and help it make up deficits and increase surpluses and can make an impoverished place become rich and flourishing. Wherever reform is smoothly carried out, there emerges a large number of people who have both professional knowledge and leadership ability and are both politically minded and vocationally proficient. The party organization departments should not be fettered by outdated ideas and conventions in assessing and measuring

reform, but should select and promote them with new standards and ideas under the present new situation. They should resolutely promote those who are firm in reform and can create a new situation to leading posts so that they will be able to bring into full play their initiative and creativeness.

Third, adhere to the ideological line of proceeding in all cases from reality and seeking truth from facts. To experiment in reform in a comprehensive way in a county is to look into the ways of how to build the socialist economy with Chinese characteristics in the rural areas. We cannot draw on ready-made experiences for reference or copy any patterns. The only way out is to make bold explorations and to create new things and improve them in practice. Only practice can make experiences and methods and judge success or failure of reform. Experimental reform in a comprehensive way in the rural areas of our province was launched when we implemented the policy of readjusting the economy and before we started the restructuring of the national economy as a whole. Thus we had to adhere to the party's ideological line of proceeding in all cases from reality and seeking truth from facts because the task was very hard and arduous. Now that we make experiments in some selected counties, we have to be bold and firm in changing all regulations, systems and methods which are incompatible with the new situation. If we cannot make breakthroughs in this respect in a realistic way, there is no sense in making experiments. Guanghan County has achieved good results in introducing the contracted responsibility system in all trades and professions, reforming the people's commune structure, specializing in technological services for agriculture, promoting business operations in a comprehensive way by linking agriculture, industry, and commerce together, and improving channels of commodity circulation. All the achievements have resulted from adherence to the ideological line of proceeding in all cases from reality and seeking truth from facts.

Fourth, make experiments in different selected places and in varied forms in order to gain experiences for carrying out reforms of different types adaptable to different places. Sichuan is vast in territory and production conditions and economic level vary widely in the province. It is therefore necessary for us to devise an exclusive pattern in line with local conditions, which is compatible with different characteristics and conditions of our province. We cannot take other's experiences literally. Moreover, carrying out reform in a comprehensive way in some selected counties is a new thing for us, we should compare experiences gained in different selected counties, weigh the advantages and disadvantages and observe the results so that we can choose what is good and spread it to an entire area and weave different patterns and furnish diversified experiences to areas of different types in our province. For example, Qionglai County, a place with mountains, hillocks and flatlands, has doubled the gross output value of its industry and agriculture in 5 years mainly because it could bring into play the advantages of its natural resources, build bases of commodity production, and promote specialized cooperative organizations and business operations of linking agriculture, industry, and commerce together. Guanghan County, located in the Chengdu plain, is not rich in natural resources, but it has gained successful experiences in running local industry and town enterprises owned by the collective by properly using talented people and

absorbing modern technology, and has achieved better economic results. The impoverished Gulin County, an old revolutionary base in remote mountainous areas mostly inhabited by people of minority nationalities, planted grain crops alone and reclaimed lands by destroying forests for a long time in the past, yet the people lived in poverty only because natural resources could not be properly used. In recent years Gulin County has become self-sufficient in grain instead of being deficient, has submitted surplus revenue instead of being subsidized by the state, and has started turning the vicious cycle in production and the economy into a benign one after it vigorously readjusted the economic layout and developed forestry, the coal industry, and trade in cured tobacco and wines. Proceeding from their own characteristics, these counties develop their economy by means of different approaches and are marching toward the common goal of prosperity.

III

In order to expedite the development of the rural economy, our province has brought the number of counties selected for comprehensive reform experiments in the rural areas to 34 this year and some successful experiences have been popularized to other counties. Meanwhile, it has also adopted some new policies and measures to push ahead with reform in depth.

Over the past few years, the selected experimental counties have made tremendous efforts to readjust the agricultural structure and scored certain successes, but what we have done is not sufficient. Our agricultural structure remains irrational, we should continue to readjust it in line with actual conditions in different counties and the market situation so as to gradually move agricultural production toward specialization and large-scale commodity production. We must not slacken our efforts to develop grain production, but must maintain a steady increase in the grain output. It is impossible for all places to become self-sufficient in grain, but they should bring their advantages into full play in line with local conditions. We can largely reduce the acreage sown to grain particularly in the mountainous areas, grasslands, and the suburbs of cities so that they may be able to energetically develop a diversified economy, industry, sideline production and tertiary industry. In the mountainous areas, we should make efforts to develop not only forestry but also grass planting, stockraising and cultivation of Chinese medical herbs. We should attach great importance to grass planting, especially in places not suitable for growing grain crops but suitable for growing different kinds of fodder grasses for the development of animal husbandry. This can achieve better economic results and is helpful to improvement of ecological environment. We should speed up economic construction in the suburbs of cities and areas along the transport line, develop the industry of processing different kinds of farm and sideline products, and service trade in town and country and expand export of services so that the peasants in these areas will be able to make efforts to get rich ahead of others. Meanwhile, we should also help the impoverished areas to develop their economy.

Centering on the development of commodity production, we should go a step further with reform of the rural circulation system. We should encourage

a diversified economy, multiple ways of business operation, and an open, multichannel circulation system so that state and collective commercial units, hawkers and households specialized in purchase and marketing will be able to show their special prowess in enlivening the economy of counties and townships. In county seats and market towns, we should set up wholesale markets of farm and sideline products and commercial trade centers in a planned way so as to establish a system of combining wholesaling with retailing with as few levels as possible for opening up rural markets. The structural reform of the supply and marketing cooperatives should be carried out in depth so that they will become truly cooperative commerce owned collectively by the peasants. The systems of planning, finance, labor, personnel and wages should be reformed to meet the needs of cooperative commerce so that the supply and marketing cooperatives will really have decisionmaking powers on personnel and financial affairs, supply, and marketing. We should encourage the peasants to become shareholders by lifting restrictions of different descriptions. The money paid for shares by the peasants can be used as floating capital in building facilities for production and commodity circulation. Cadres of the supply and marketing cooperatives are selected by the representative assembly of commune members and staff members are recruited through public advertisement. Their pay is linked with profits and losses of the supply and marketing cooperatives and the system of bonus can be instituted on a trial basis. The distribution of profits should be discussed in a democratic way by representatives of commune members.

With the development of the commodity economy, rural credit loan business is bustling with increasing activity. The present credit system is too rigid and restricted, which affects proper use of capital and cannot meet the needs of the new situation. The credit cooperatives in the rural areas should undertake reform before they truly become financial organizations of the peasants and bring into full play the role of non-governmental credit. In pursuance of the state financial policy and under the leadership and supervision of the Agricultural Bank of China, the credit cooperatives assume sole responsibility for their profits and losses and have the decisionmaking power on business operations with independent accounting.

More and more people are now coming to understand that "without agricultural development the economy cannot be kept stable, without commercial development the economy cannot be enlivened, and without industrial development the economy cannot boom." Facts prove that to promote a faster development of the economy, a county should develop industries in town and country (including the handicraft industry) as a strategic measure with unremitting efforts. In order to accelerate the development of county-run industries and collectively owned enterprises in town and country, we have adopted some policies. For example, we have transferred appropriate powers to a lower level to approve capital construction projects and credit loans and introduced the contracted responsibility system in enterprises. Moreover, construction workers in the rural areas are allowed to bid for projects in towns; state-owned small coal mines which have suffered losses for years are allowed to be run by the collective but to be owned by the state, and to adopt the method of assuming sole responsibility for their profits

and losses; and a few enterprises which can achieve better economic results and make great contributions are allowed to adopt some special methods so as to speed up the development of production.

Sichuan is fertile in natural resources and is a good market, but it is land-locked. It is not well-informed and does not have sufficient capital and advanced methods of management. For this reason, we should emancipate our minds, give up the idea of national seclusion, absorb market information in varied flexible forms and through different channels, and adopt some favorable policies to attract funds, import modern technology, and develop cooperation with foreign countries. Counties selected for experimental comprehensive reform should make headway and create a new situation in these respects.

Reform of the superstructure should accord with reform of the economic base. In this connection, reform of organs at the county level should be carried out in depth. Offices at the county level should be established according to the local actual conditions and should not correspond to those at a higher level. With regard to the personnel system, appointment should be replaced with election and recruitment by public advertisement so that cadres can be ready to work both at the top or at the grassroots and ordinary working personnel can be ready to be employed or to be relieved. A strict post responsibility system should be set up for all cadres in charge of party and government organizations and enterprises and institutions. They are regularly assessed in relation to economic results or their achievements in work. A system of offering allowance in accordance with posts and titles or the system of floating wages is introduced on a trial basis in order to encourage cadres and working personnel to make progress. Departments in charge of propaganda, cultural, educational, political, public security, procuratorial and judicial work as well as party discipline inspection should also emancipate their minds and make reform a success so that their work can conform to the new situation. Meanwhile, it is also necessary for us to work energetically for building spiritual civilization. Only by so doing will we be able to make our work be subject to and serve the general goal and task set by the 12th CPC National Congress.

CSO: 4004/15

MORE ON THE LEADERSHIP SYSTEM OF SOCIALIST ENTERPRISES

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 22-26

[Article by Jiang Yiwei [5592 0001 5517]]

[Text] The decision on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee clearly points out: "Invigorating enterprises is the key to the restructuring of the national economy." It adds: "With this key in mind, we must handle two types of relationships satisfactorily. That means we should extend the decision-making power of enterprises owned by the whole people by establishing a correct relationship between them and the state, and safeguard the status of the workers and staff members as masters of the enterprises by establishing correct relationships between them and their enterprises." The enterprise leadership system represents the correct relationship between the state and the enterprise and also represents the correct relationship between the workers and their enterprises. It pinpoints the two types of relationship. Therefore, how to establish a socialist enterprise leadership system with Chinese characteristics is a major subject that we should seriously study in the course of the economic structural reform.

In the journal RED FLAG, issue No 21, 1980, I published an article entitled "On the Leadership System of Socialist Enterprises," which put forth some immature and controversial opinions on the issue of the enterprise leadership system. Over the following 4 years, great progress has been made in the economic structural reform in our country, and some substantial changes have also occurred in the enterprise leadership system. Through the practice of reform, people's understanding of some controversial issues has gradually become the same. The party central leadership and the State Council have decided to introduce the factory director (manager) responsibility system in all enterprises owned by the whole people and have started pilot projects in some cities. However, there are still some questions that we need to study more deeply. For example, how should we understand the manager responsibility system? How should we divide concrete functions and powers among the enterprise party committee, the workers' congress, and the manager? How should we correctly handle the relationships between these three parties? Here, I would like to make a few remarks on the relevant questions, which may be used as reference material in other people's studies.

What Basic Principles Should Be Followed in the Establishment of the Leadership System of Socialist Enterprises?

The leadership system of socialist enterprises owned by the whole people should conform to the following basic principles:

First, it must ensure the workers' status as masters of the enterprises, and this is a basic point that makes a socialist enterprise different from a capitalist enterprise.

Socialism is based on public ownership and is a system under which the working people are masters of society and production. The CPC Central Committee's "Decision on Reform of the Economic Structure" points out: "The well-spring of vitality of the enterprise lies in the initiative, wisdom, and creativeness of its workers by hand and by brain. When the status of the working people as masters of their own enterprise is guaranteed by its rules and regulations and when their labor is closely linked with their own material benefits, their initiative, wisdom, and creativeness can be brought into full play." The master status of the workers should be reflected mainly in their right to participate in the management of the enterprise and in their undertaking of responsibility for the enterprise's business results. Therefore, the enterprise leadership system must effectively guarantee the workers' rights to participate in the democratic management.

Second, it must meet the objective requirements of the socialized production and handling of commodities conducted by modern enterprises. Therefore, the leadership and command system of enterprises must be able to make prompt decisions and exercise unified leadership over the production process.

A modern enterprise is a collective engaged in socialized production. Inside, it is a unity in which both division of labor and cooperation exist; outside, it has extensive relations concerning specialization, coordination, and integration. As a commodity producer and handler, the enterprise must have quick and convenient access to market information and must make prompt decisions in line with the changing market situation so as to maintain its favorable position in business competition. All this requires that the enterprise has a fully authoritative leadership that is able to make prompt decisions in the production and marketing process and to direct and coordinate all activities of the enterprise. Only thus can the enterprise achieve its targets.

The "Decision" points out: "Under socialism, there is unity between the authority of the enterprise's leadership and the status of the working people as masters of the enterprise and their initiative and creativity. This unity is a prerequisite for the proper, effective exercise of their initiative." Therefore, it is necessary to establish a strong and efficient centralized leadership system in the enterprises on the basis of democratic management.

Third, the leadership system must represent the correct relationship between the socialist state and the enterprises and must get rid of the maladies that are caused by the mixing of the functions of government with those of the enterprises.

A basic function of a socialist state is to direct and organize economic construction. It must be affirmed that the state should represent the whole people in managing the enterprises owned by the whole people. However, the whole people's ownership was previously equated to the state's direct control over the operations of the enterprises. As a result, the enterprises were reduced to appendages to state institutions. This was the key reason why the enterprises lacked necessary vitality. The "Decision" clearly points out the need to separate the functions of government from those of the enterprises. "The enterprises should be truly made a relatively independent economic entity and should become a producer and operator of socialist commodity production that is independent, responsible for its own profits and losses, and capable of transforming and developing itself, and that acts as a legal person with certain rights and duties."

By separating state ownership of the enterprises from the enterprises' power to operate independently and ensuring the enterprises' status as relatively independent commodity producers and dealers, we do not mean that the state will no longer have the power and function of administering the enterprises. Instead, the state must exercise necessary management and regulation over, and give necessary guidance to, the enterprises through planning and by economic, administrative, and legal means. The state should also carry out administrative management of the enterprises through various state functional departments. This includes the appointment and removal of principal enterprise leaders, the approval of the enterprises' developmental orientation and plans, and the assignment of state plans to the enterprises. However, the state should not directly interfere in the enterprises' production and business activities and their routine management work, and the enterprises should have full power to plan and handle their routine business.

The above three basic principles can be summarized into one point, that is, democracy should be integrated with centralism in the enterprises' internal relations and unity should be integrated with independence in the relationship between the state and the enterprises. We should follow these principles when studying the establishment of a socialist enterprise leadership system with Chinese characteristics.

The Question of the Workers' Democratic Management

Workers' democratic management represents a basic characteristic of the socialist enterprise and the primary principle for the socialist enterprise leadership system.

Our country has had many years' practical experience in carrying out workers' democratic management in the enterprises and has created the way to effect democratic management in the form of the workers' congress. Experience

proves that this form can effectively bring into play the workers' role as masters of the enterprises and can fully reflect the socialist character of our enterprises. However, because in the past the economic structure was not based on a sound foundation, the character and status of the enterprises owned by the whole people were not clearly defined, and the functions of party organizations were mixed up with those of administrative organs and enterprises in the leadership structure, the role of the workers' congress was not brought into full play. After the downfall of the "gang of four," when giving a speech at the Ninth National Congress of Chinese Trade Unions, Comrade Deng Xiaoping pointed out: "In order to accomplish the four modernizations, all our enterprises, without exception, must adopt democratic forms of management and combine them with centralized leadership." ("Selected Works of Deng Xiaoping," p 127) After that, he stressed workers' democratic management in many speeches and instructions, clearly declaring: "Congresses or conferences of representatives of workers and office staff will be introduced in all enterprises and institutions. That was decided long ago. The question now is how to popularize and perfect the system. Those congresses and conferences should have the right to discuss and make decisions on major questions of concern to their respective units, to propose to the higher organizations the recall of incompetent administrators, and to introduce--gradually and within appropriate limits--the practice of electing their leaders." ("Selected Works of Deng Xiaoping," p 300)

Since the 3d Plenary Session of the 11th CPC Central Committee, the enterprise leadership system has always been a major issue requiring theoretical study and practical exploration in the economic structural reform. The party central leadership and the State Council have laid down some interim regulations in this regard and have carried out some pilot projects of reform in some enterprises to promote the workers' democratic management. However, after the party central leadership and the State Council decided in principle to adopt the factory director (manager) responsibility system in all enterprises owned by the whole people, some people had a one-sided viewpoint, equating the manager responsibility system to the system of one-man leadership. They thought that the factory director should exercise centralized leadership and hold all decisionmaking power to manage the enterprise on behalf of the state, and that the workers' congress should be just a democratic supervision body rather than a decisionmaking body. If the system of enterprise leadership is based on this viewpoint, democratic management of the enterprise will certainly be weakened, and it will not be possible to ensure the workers' status as masters of the enterprise. We might as well imagine: If on the one hand the factory director had the full power to manage the enterprise as the representative of the state, and on the other hand the workers only had supervision power and no decisionmaking power, how could the workers act as masters of the enterprise? We agree that the personal interests of the workers should be linked to the business results of the enterprise. If they had no decisionmaking power and only one person--the factory director--could make decisions on behalf of the state, how could we effect the legal principle of integrating power with responsibility, and how could we hold the workers responsible for the consequent results of the decisions?

As a general principle, no one would oppose workers' democratic management in a socialist enterprise; neither would anyone oppose democratic management in the form of the workers' congress. There are two key questions at issue: First, should the workers' congress function as an organ of power? Second, should the workers' congress have decisionmaking power and the power to choose enterprise leaders? In my opinion, if we are to ensure the workers' status as masters of the enterprise and ensure the socialist character of the enterprise, we should make the workers' congress an organ of power which has the power to make decisions on major issues concerning the operation and business of the enterprise and to select enterprise leaders.

This may give rise to some misgivings:

"The enterprises owned by the whole people are different from those owned by collectives. If the workers' congress functions as an organ of power, in what position should the administrative department concerned be placed?" Our answer to this doubt is that this will give rise to no trouble at all. The workers' congress is just an organ of power that decides the internal affairs of the enterprise. After the functions of the enterprise are separated from those of government, the enterprise will have the power to handle its production and business on a relatively independent basis. The organ of power will exercise this relatively independent power inside the enterprise. As an organ of power of the enterprise, the workers' congress should also be subject to the leadership of the administrative departments at the higher level, and its decisions on important issues should still be submitted to the administrative departments concerned for approval. Therefore, this will not affect the correct relationship between the state and the enterprise.

"After the adoption of the factory director responsibility system, if the factory director still has to submit all major matters to the workers' congress for deliberation and decision, as the congress exercises the decision-making power, how can the enterprise improve its efficiency?" By saying that the workers' congress should exercise the decisionmaking power, we mean that it should determine the major policies and plans that concern the production and business of the enterprise, including major steps for technological transformation, reinvestment, and merger or organization of the enterprise. But the congress will not be involved in the routine management of the enterprise's production or in making decisions concerning the day-to-day business. Determining major issues of the enterprise through democratic decisionmaking will draw on collective wisdom, absorb all useful ideas, and arouse all the workers' enthusiasm for working hard to fulfill these decisions. This will precisely give support to the factory director responsibility system.

"Workers who come from the grassroots level do not know the overall situation well, and it will be hard for them to put forward pertinent opinions on the major issues which are to be decided. So the discussions at the workers' congress will be just a show." This is not correct. It is completely possible for workers to suggest ways and means for the making of major decisions and selections. In this regard, two questions should be

taken into consideration. The first question is the composition of worker representatives. With the modernization of the enterprises, technical and management personnel will hold a more and more important position in the operation of the enterprises. These people constitute part of the working class. We should not stick to the traditional idea of only considering manual workers at the grassroots level as the main body of worker representatives to the congress. Instead, we should increase the proportion of technical personnel among worker representatives in light of the actual conditions of the enterprises. If the workers' congress includes representatives from all branches and quarters, why will it not be able to make reasonable decisions on major issues of the enterprise? The second question is the method of discussion. At present, the general practice is to summon a session of the congress to discuss a scheme. Before the session, there are no preliminary discussions, and at the session the representatives have no alternative schemes for the subject under consideration. So it is hard for the representatives to put forward pertinent opinions. If two or three alternative schemes are prepared and handed to the representatives so as to enable them to make sufficient preparations before the meeting is held, the discussions will be more pertinent and efficient.

The Factory Director's Centralized Leadership

The "Decision" points out: "Modern enterprises have a minute division of labor, a high degree of continuity in production, strict technological requirements, and complex relations of cooperation. It is therefore necessary to establish a unified, authoritative, and highly efficient system to direct production and conduct operations and management. This calls for the system of the director or manager assuming full responsibility." The establishment of a centralized leadership system headed by the factory director is an objective requirement of large-scale commodity production conducted by modern enterprises and is also a basic principle that must be followed by the socialist enterprise leadership system. However, a socialist enterprise is different from a capitalist one. It is necessary to answer some concrete questions regarding the introduction of the director responsibility system on the basis of the characteristics of socialist enterprises.

First, the director responsibility system in socialist enterprises should be based on democratic management; and second, it must be subject to the state's unified leadership.

As we have said before, the leadership system of socialist enterprises represents both the relationship between the state and the enterprise and the relationship between the enterprise and its workers. For this reason, it is not right to think that under the director responsibility system, the factory director should only be responsible to the state, and that his responsibility is to manage the enterprise only on behalf of the state. Instead, under the director responsibility system in a socialist enterprise, the director should be responsible to the state and to society as well as to the workers of his enterprise. More precisely, the director should be responsible to the state and to society on behalf of all the workers.

We say that an enterprise is a legal person in terms of law, but some comrades have a misunderstanding, thinking that the factory director himself is a "legal person." In fact, an "enterprise legal person" is a concept referring to a group of persons. It means that the enterprise as a collective has an independent position in terms of law. Its duties and liabilities are subject to supervision by law, and its rights are also protected by law. The socialist enterprise legal person should be all the workers of the enterprise rather than the factory director, who is only a representative of the enterprise legal person.

As the assets of an enterprise owned by the whole people belong to the whole people, the state should have the function of directing the enterprise on behalf of the whole people. This function is respectively performed by the comprehensive management department and the specific industrial management department of the state. In addition, the administrative department concerned also exercises administrative leadership over the enterprise. However, it is necessary to change the previous practice of turning the enterprise into an appendage of the government departments concerned. The government departments should not directly manage the operation of the enterprises. The enterprise should have the decisionmaking power in handling production and operation on a relatively independent basis, with its functions being separated from those of government. The leadership of the state departments concerned should be limited to the determination of the orientation of the enterprise's production or operation, the deliberation and approval of the enterprise's major plans for construction and transformation, the assignment of mandatory or guidance plans for maintaining the overall balance, and the appointment of principal leaders of the enterprise. It is the factory director's responsibility to accept the leadership of the state departments concerned in the above-mentioned fields on behalf of the workers of the enterprise.

As an intermediate link between the state and the workers, the factory director has dual responsibility. On the one hand he should be responsible to the state, on the other he should be responsible to the workers. But he should be mainly responsible to the state. Therefore, if some differences of principle occur between the workers' congress and the factory director, and the latter fails to persuade the former, the two sides can submit the case to the state department in charge for a final decision.

Because of the dual capacity of the factory director, his appointment and removal should also be subject to two determinative factors. The factory director may be elected, recommended, or hired by the workers' congress, but his appointment must be approved by the state department concerned; conversely, the director may be recommended or appointed by the state department in charge, but his appointment must also be accepted by the workers' congress. As an alternative, he may begin to perform his duties for a short time, and then his appointment may be subject to a vote by the workers' congress. However, the state department concerned should not transfer the factory director at will, no matter whether he is elected by the workers or appointed by the higher authorities. Any decision to transfer or remove a factory director should be approved by the workers' congress. This dual

determinative mechanism can ensure both the leadership functions of the government and the master position of the workers. It represents an important characteristic of the socialist enterprise director responsibility system.

Will democratic management, which is the foundation for the director responsibility system, hinder the factory director from directing routine production and exercising centralized leadership over the enterprise's operation? No, it will not. Democratic management is mainly reflected in the democratic procedures for deciding major issues of the enterprise at the workers' congress, which is not frequently in session. So it will not interfere with the factory director's routine work. On the contrary, there must be a competent and efficient management body, headed by the factory director, in the handling of routine production and operation. The factory director also exercises leadership over the deputy director, the general engineer, the general economist, and the general accountant. He has the power to appoint a principal official of the enterprise to preside over a work conference, which acts as an advisory body to the factory director. The work conference can draw on collective wisdom and absorb all useful ideas in a democratic way, but it is not a democratic management body. All questions discussed by the work conference are determined by the factory director, and all orders are issued in the name of the factory director. All branches of the enterprises, including various offices, plants, and workshops, can also adopt some appropriate democratic forms, but all decisions can come into effect only after the factory director approves them. Leaders of these branches can also be elected or recommended by democratic means, but the final appointments must be made by the factory director. The factory director also has the final say when differences occur between him and branch leaders. All this falls under the power of the factory director in exercising centralized leadership and must be well maintained.

The Question of the Party's Leadership

Upholding the party's leadership is a basic condition for success in our socialist construction cause. In the ideological and political field, socialist enterprises must ensure the strong leadership of the party. This is a fundamental guarantee for all the workers' advancing along the socialist road. This is beyond question. However, how to effect the party's leadership in the new historical period is a question that must be seriously studied. In 1980, Comrade Deng Xiaoping touched on this question in his important speech entitled "The Present Situation and Tasks." He pointed out therein: "In order to uphold party leadership, we must strive to improve it." ("Selected Works of Deng Xiaoping," p 232)

Previously, the party took over many administrative functions in the enterprise leadership system, and party organizations in the enterprises took control of routine production and administration work. Practice has shown that this practice is not in line with the objective requirements of the production and operation handled by modern enterprises; moreover, it may even weaken the leading role of party organizations in the ideological and political field. In the reform of the leadership system over the past few

years, more and more comrades have come to realize this point. Many reform measures have been adopted to separate functions of party organizations from those of enterprise administration, and these measures have brought about some positive results. On the basis of the experience in reform over the past few years, the party central leadership and the State Council have decided to introduce the factory director responsibility system in all enterprises owned by the whole people. This has further distinguished the functions of party organizations from those of enterprise administration. The "Decision" clearly points out: "Party organizations in enterprises should actively support directors in exercising their authority in giving unified direction to production and operation, guarantee and supervise the implementation of the principles and policies of the party and the state, strengthen the party's ideological and organizational work in enterprises, improve their leadership over the trade unions and CYL organizations, and do effective ideological and political work among the workers and staff members."

According to the principle of separating the functions of party organizations from those of the administrative organs, the main task for party organizations in enterprises is to play a leading role in the ideological and political fields. Does this mean that party organizations should no longer care about the work in production and operation? No. Party organizations should continue to guarantee and supervise the enterprises' production and operation. Some comrades, who are accustomed to the previous practice of substituting party organizations for administrative organs, think that the guaranteeing and supervising role is just a weakened performance of the party's leadership role. They say that without actual powers, it is impossible for party organizations to play a guaranteeing and supervising role. These opinions are incorrect.

Only by freeing themselves from routine administrative affairs can party organizations in enterprises strengthen their work in the ideological and organizational fields and build themselves into vanguard contingents with a high degree of political consciousness and into powerful fighting forces for the modernization campaign; and only thus can they more deeply understand and more effectively carry out various principles and policies of the party and the state and objectively analyze and control the developmental orientation of the enterprises. Party organizations have high prestige in the enterprises. They should mobilize all party members to take the lead in carrying out the enterprise plans and schemes that are in line with the principles and policies of the party and the state, and this is the guaranteeing role they should play; when seeing the enterprises going against the principles and policies of the party and the state, they should make criticisms or proposals, and this is the supervising role that they should play.

Party organizations in the enterprises should safeguard the workers' rights to act as masters of the enterprises. At the same time, they should guide the workers to carry out the principles and policies of the party and the state. At sessions of the workers' congress, the party secretary should give lectures on the situation and the policies, showing the correct

orientation for people's efforts. At the same time, party members among worker representatives should take the lead in adhering to the correct political orientation.

The enterprise party organization should support the factory director in exercising unified administrative leadership and in giving centralized direction to production. When the factory director's decision does not seem to be well-considered, the party committee can make a criticism and put forth a proposal, but it cannot interfere in the functions of the factory director.

This will never weaken the party's leading role if the enterprise party organization acts in the above-mentioned way. It is possible for differences to occur between the party committee and the workers' congress or between the party committee and the factory director. What should we do in this case? In general, these things will not occur under normal conditions. In a case where such a problem occurs, the only solution is to present the case to the government department at the higher level for a final decision. Here, we should clarify one point: By saying that the party should exercise leadership over the enterprises, we do not mean that only the enterprise party organization can represent party leadership; rather, the department concerned in the higher authorities also represents party leadership, and party leadership is also exercised by the authorities at even higher levels. All our state organs are subject to the leadership of the State Council, so the State Council also represents the party central leadership. Therefore, differences among the enterprise party organization, the workers' congress, and the factory director should be settled by the authorities at the higher level. This is in line with the principle of upholding party leadership.

CSO: 4004/14

GREAT ACHIEVEMENTS IN ECONOMIC AND SOCIAL DEVELOPMENT IN THE 35 YEARS
FOLLOWING THE FOUNDING OF THE PRC (STATISTICAL DATA, PART XII)--THE STATE
OF MINORITY NATIONALITY ECONOMIC DEVELOPMENT

Beijing RED FLAG in Chinese No 24, 16 Dec 84 p 27

[Article by State Statistical Bureau]

[Text]

Item	Unit	1952	1978	1983	1983 figure as a per- centage increase over 1952 figure	1983 figure as a per- centage increase over 1978 figure
1. Total industrial and agricultural output value	100 million yuan	57.9	367.7	620.7	690	42.0
Total agricul- tural output value	100 million yuan	46.5	155.6	303.9	240	45.1
Total industrial output value	100 million yuan	11.4	212.1	316.8	2,610	40.3
2. Cultivated area	10,000 hectares	1,348	1,640	1,686	30	2.8
Grain output	10,000 tons	1,582	3,124	4,027	150	28.9
Cotton output	10,000 tons	3.14	5.97	16.83	440	181.9
Number of large domestic animals at year-end	10,000 head	2,439	3,807	4,340	80	14.0
Number of sheep at year-end	10,000 head	4,030	9,580	9,673	140	1.0

Item	Unit	1952	1978	1983	1983 figure as a per- centage increase over 1952 figure	1983 figure as a per- centage increase over 1978 figure
Number of pigs at year-end	10,000 head	1,137	3,260	3,971	250	21.8
3. Steel output	10,000 tons		128.5	173.4		34.9
Raw coal output	10,000 tons	178	6,081	6,521	3,560	7.2
Output of crude oil	10,000 tons	5.2	577.7	672.4	12,830	16.4
Power genera- tion	100 million kilowatt- hours	9.8	174.0	239.3	29,810	37.5
Timber output	10,000 cubic meters	233	1,212	1,565	570	29.1
4. Railroad mileage	km	3,787	9,018	12,088	220	34.0
Highway mileage	10,000 km	2.59	20.80	23.00	790	10.6
Length of postal routes	10,000 km	13.13	94.75	88.11	570	-7.0
5. Volume of retail sales	100 million yuan	17.9	150.8	277.5	1,450	84.0
6. Number of beds in hospitals and sanatoria	10,000 beds	0.57	22.44	27.30	4,690	21.7
Number of health tech- nicians	10,000 people	1.79	27.94	38.77	2,070	38.8
7. Number of students of minority nationalities						
Tertiary-level institutions	10,000 people	0.29	3.60	5.96	1,960	65.6

Item	Unit	1952	1978	1983	1983 figure as a per- centage increase over 1952 figure	1983 figure as a per- centage increase over 1978 figure
Secondary-level institutions	10,000 people	9.20	252.62	191.18	1,980	-24.3
Primary schools	10,000 people	147.42	768.56	812.90	450	5.8
8. Books published in national minority languages	10,000 copies	661.2	3,980	3,358	410	-14.1
Magazines published in national minority languages	10,000 copies	168.6	313	616	270	96.8
Newspapers published in national minority languages	10,000 copies	2,933.3	7,072	10,371	250	46.6
9. Capital construction investment by units owned by the whole people	100 million yuan	3.3	53.04	61.78	1,770	16.5
Total cumulative investment 1950-1983	100 million yuan			839.41	Accounting for 9.4 percent of national total during the same period	

Appendix:

Population and natural resources in minority nationality autonomous regions as proportions of the national figures:

Population: 67,230,000, or 6.7 percent of the national total.

Area of pasture: 286 million hectares, or 89.6 percent of the national total.

Hydroelectric resources: 350 million kilowatts, or 52.3 percent of the national total.

Land area: 6 million square km, or 62.5 percent of the national total.

Forest area: 45.33 million hectares, or 39.3 percent of the national total.

Notes:

In item 1, absolute figures are based on constant prices while rates are based on comparable prices.

Figures cited in items 1-6 and 9 are figures of minority nationality autonomous regions, while figures cited in items 7 and 8 are the number of national minority students and publications in the whole country.

CSO: 4004/15

THE OBJECTIVE BASIS OF NOT CHANGING THE POLICY OF INVIGORATING THE DOMESTIC ECONOMY AND OPENING TO THE OUTSIDE WORLD

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 28-29

[Article by Zhang Qihua [1728 0796 5478]]

[Text] After being put into practice for a period of time, the party's policy of invigorating the domestic economy and opening to the outside world has enabled the national economy to develop and the people's living standard to improve at a relatively fast speed, winning the support of the broad masses of the people. Many learned men abroad have also expressed appreciation and welcome for this policy. As a matter of course, some people still do not feel very much relieved, fearing this policy might change some day. However, provided that we make a deepgoing investigation of the whole process by which the 3d Plenary Session of the 11th CPC Central Committee proposed and put into practice this policy, in particular, of the relationship between the ideological line of seeking truth from facts and this policy, it is not difficult to be convinced that this policy of the party will not change, and will not possibly change.

In fact, there are no permanently unchanging things in the world. However, changes of things do not arise without cause and reason, and are not inestimable and incalculable. Instead, they change under conditions and laws. Given the conditions, things will change in accordance with a certain pattern (but not any pattern). And such changes are independent of man's will. For example, when productive forces develop to a certain degree, production relations are bound to effect reforms to be suited to the level of development of productive forces; on the contrary, if productive forces have not developed to this degree yet and production relations do not possess the conditions for reform, an artificial change is impossible and such a change, if forced, will not last for long. The developmental changes of the socialist construction cause which we are engaged in are also under conditions and laws. These conditions and laws determine the policy we adopt.

The party's policy is a thing in which subjectivity reflects objectivity and objectivity mirrors subjectivity; its correctness and incorrectness and the degree of correctness all depend on whether it tallies with objective reality, namely, whether it tallies with the national conditions in China,

and the current social economic situation as well as the needs of the people, and whether it correctly reflects the laws of socialist construction. If it tallies with them, then it is correct and certainly will not change; if it does not tally with them, then it is incorrect and it cannot but change. Therefore, whether a policy changes or not is not and should not be subjective and arbitrary, and it cannot be controlled by the subjective will of an individual or individuals, no matter who he is or what they are. In the final analysis, it should be conditioned by objective realities.

Do not some people say that the policies of the Communist Party are changeable? It is reasonable that we give people such an impression. Over a period of time, we did not have enough experience, did not master well the laws of socialist construction, did not calculate correctly the social economic situations, and were not cool-headed enough in understanding socialism, and all these were reflected in our policies, with the result that we committed many "leftist" errors. At that time, the scope of class struggle was broadened, "transition in poverty" of production relations was carried out, "being larger in size and having a higher degree of public ownership" was emphasized, the "tails of capitalism were being cut" everywhere, and policies were changed at will. Being contrary to objective realities and the laws of development of things, such practices of relying on subjective will to formulate and change policies could not be run up against a wall in practical life. Such kind of policies will be eventually negated by practice. Is this not precisely the reality?

Therefore, in judging whether the policy of invigorating the domestic economy and opening to the outside world will change or not, the key question is to see whether it is correct or not, to see whether it tallies with the reality and laws, whether it is welcomed by the people, and whether it can stand the test of practice. How was this policy formulated then? We all know very well that it was based on the understanding of the current situation in the world and the reality in China, it was based on the summation of success and failure experiences over more than 30 years, it was based on bringing order out of chaos concerning a series of wrong policies which flew in the face of facts and went against laws, and it was based on understanding afresh the theory of scientific socialism. In brief, this policy is deeply rooted in the soil of reality and built on a scientific basis, and is a product of the ideological line of seeking truth from facts restored by our party. Moreover, the practice of this policy has achieved results obvious to all, and the people praise it from the bottom of their heart as a "policy of making our country prosperous and powerful." This fully demonstrates that it is a correct policy. And correct policy will not be changed, and cannot be changed. If anyone wants to change it, it is equal to publicly violating the interests and wishes of the broad masses of the people, and its consequence will be bound to be the retrogression of the whole national economy and the decline of the people's living standard, thus winning no support from the people. The approval of the people and the correct approach is the fundamental guarantee for us to carry on the policy of invigorating the domestic economy and opening to the outside world. Just as Comrade Deng Xiaoping said, our policies will not change and no one can change them, because these policies are effective and correct, and besides

they have won the support of the people; since people support them, they will certainly oppose anyone aiming to change them.

Some people will ask, if it does not change today, will the policy change when the economy in China becomes developed in the future? We can say that it will not change then either. This is because the objective needs and the fundamental conditions for formulating this policy will still exist for a considerably long period of time and the realization of the four modernizations in China is a long-term task. Our aim is not only to reach the level of being comparatively well-off, but also to lay down foundations for greater development in the national economy. Our lofty aspiration and great ideal is to approach the level of the developed countries in the world. In order to realize this objective, we shall never close the country to international intercourse, nor will we give up the economic policy of invigorating the domestic economy. Ours is a socialist country and we should persevere in the socialist road and develop socialist economy. We engage in diversified economy including individual economy, we absorb foreign capital, we run joint-capital operations, and so on, but all these will not possibly damage the main body of our socialist economy and will not shake the socialist system in our country. On the contrary, it will only be helpful to the development of socialist economy and be advantageous to the consolidation and development of the socialist system. Thirty years, 50 years, and 70 years hence, when the socialist economy in our country becomes more developed and the socialist system becomes more consolidated and powerful, we shall have still less reason to change this policy. If we take a broad outlook, ascend the height to take a distant view, and truly understand the objective basis and the fundamental conditions for our party to formulate the policy of invigorating the domestic economy and opening to the outside world, we can be thoroughly convinced of the long-term nature and stability of this policy and believe that it will not change.

Of course, when we say that this policy will not change over a long period of time, this is only fundamentally speaking, and we do not exclude some changes regarding the specific contents and practices effected for the perfection of this policy along with the development of practice. Such changes will be either due to deviations in understanding some concrete problems and a desire to correct this, or, as a result of some changes taking place in some specific situations, some concrete contents and practices need to be changed so as to make them more applicable to the new situation. But these changes can only make the policies more geared to actual circumstances and more suited to the interests of the people, instead of being fundamental changes in major state policies. These non-fundamental changes in concrete contents and practices and the protracted unchanging nature of the policy of invigorating the domestic economy and opening to the outside world are not opposed to each other but dialectically unified.

After suffering setbacks and carrying out exploration over many years, our party has gained a most profound experience, and that is, whether socialist construction succeeds or not depends on whether Marxism is integrated with the reality of socialist construction in China or not. This experience is

the most valuable acquisition of our whole party. The policy of invigorating the domestic economy and opening to the outside world is precisely the scientific summation of our experiences over more than 30 years, and it fully embodies the spirit of respecting reality and objective laws and therefore glitters with the brilliant rays of the ideological line of seeking truth from facts. So, this is the root of why it is correct, why it is effective, why it enjoys great popularity among the people, and why it is guaranteed not to change over a long, long time.

CSO: 4004/14

THE ART OF PRAISING

Beijing RED FLAG in Chinese No 24, 16 Dec 84 p 30

[Article by Lu Shi [6424 4258]]

[Text] Should praising be an art? Yes, and it should be a highly refined art, too.

In the Yingquan production brigade of the town of Botou in Hebei, a Zhaohua Peasants' Verse Writing Society was formed. Having read their poetry, Comrade Gao Yang gave them some books as a gift and wrote them two letters to encourage them and to communicate to them his wishes. In one letter, he said: "It is naturally gratifying, and it is an unprecedented phenomenon, that a small group of rural young men and women who want to become poets have gradually won some reputation. However, I think if this small group of young people does not further strengthen their link with the broad masses of peasants, particularly young peasants, and if they do not conscientiously raise the ideological standard and artistic standard of their poetry, they would probably become intoxicated with complacency amid the acclaim of admirers, courting the result mentioned in 'The Pitiful Story of Zhong Yong' [Zhong Yong was much praised as a child for being a prodigy, but gradually grew up to be a mediocrity because of the lack of a sustained effort to learn] by Wang Anshi [an 11th century politician and scholar of the Song Dynasty]." He also said: "I think that in writing poetry with the countryside as the theme, it is better to increase the amount of 'rustic native flavor' at the expense of 'foreign flavor,' and to adopt traditional national styles to a greater extent at the expense of 'schoolboy talk.'"

The letters not only affirm and give support to the advanced personalities concerned, but also very sincerely point out their shortcomings and a correct orientation for their endeavor. From this example we can probably learn some lessons concerning how to treat advanced personalities. This article will focus on some problems rather than a great deal of achievements. Some examples of problems are as follows:

In organizing and presenting information about advanced personalities, and in some categories of propaganda published in newspapers and magazines, achievements may be exaggerated, or what has been achieved by many people may be attributed to a single individual.

When one becomes an advanced personality, one may be approached by many units for appointment as a representative or committee member, so that one's time is fully occupied by meetings and one cannot do one's work as a worker, peasant, or teacher.

When one becomes an advanced element, one's whole family may also become models. Thus, one's father may attend a representatives' meeting; one's son may attend the congress of a youth organization; and one's daughter may attend a meeting for commending women red-banner pacesetters. However, at each meeting, the organized and presented information concerning the exemplary deeds is almost entirely based on the same facts.

Advanced personalities are given encouragement by way of material awards, but inadequate attention is paid to giving them ideological assistance. It seems that when one becomes an advanced element, one can only be praised and must not be criticized. To make things worse, some people help promote formalism, boast outrageously, and indulge in extravagant flattery, so that the advanced personalities are spoiled.

Here we have not the slightest intention of blaming advanced personalities. We actually mean that in praising or commending others, one must bear a heavy responsibility. One must genuinely love and help advanced personalities, must have greater consideration for them, and must act according to dialectics in appraising them.

In praising others, one must have a sense of propriety; one must neither praise others insufficiently nor exaggerate. Exaggeration amounts to bringing shame on advanced personalities instead of praising them. If one obstinately overpraises advanced personalities or confers too many titles on them, one is separating them from the masses instead of helping them establish links with the masses. It is like causing the roots of a plant to rot by overly watering it. Excessive boasting and flattery will make one get a swollen head and go astray. Genuine praise should be plain in style.

In making advances, advanced personalities will also meet difficulties and frustrations. They also have to stand many tests amid successes and failures. They also need to study and need others' help. When advanced personalities become famous, they will receive much praise but little criticism. One will do them a most valuable service if one promptly points out their shortcomings, does something to remind them of their shortcomings, and prevents them from becoming intoxicated.

CSO: 4004/15

HOW DO CITY DWELLERS LOOK AT 'WEIZHUANG'?

Beijing RED FLAG in Chinese No 24, 16 Dec 84 p 31

[Article by Sun Shijie (1327 1102 2638)]

[Text] Having been to town several times, A Q [the main character in Lu Xun's "The True Story of A Q," a peasant who always interprets his defeats as spiritual victories] began to look down on weizhuang [his native locality]. He put on grand airs and strode proudly through the streets. But he sometimes also despised the town dwellers, thinking that it was ridiculous for them to put finely shredded green Chinese onion on cod fried in oil and to call a bench a strip-bench. This kind of abnormal self-esteem reflects the A Q-style "spiritual-victory tricks" and must certainly not be emulated. However, some personal experience of mine reminds me that we should consider whether the city dwellers of today can correctly understand and view the "weizhuang" of today.

In mid-autumn I visited the western part of Nei Monggol and toured the cities, towns, countryside, and prairies beyond the Great Wall. This short trip to the border area greatly helped broaden my horizons. Here I will only talk about our visit to two factories in the Ordos Plateau next to the Mao-wu-su [3029 3527 4790] Desert. One of them is the domestically built Dongsheng Traditional Chinese Medicine Factory, which uses locally produced medicinal materials as the main raw materials; the other is the Yimeng Cashmere Sweater Factory, which was built by importing a complete set of foreign equipment through compensation trade. These two factories have certain things in common--outstanding standards of operation, making profits, making substantial contributions to the state, and the marked improvement in the livelihood of workers and staff members. Moreover, for both factories, the environment of the factory premises is exceptionally clean and beautiful so that the factories virtually looked like gardens. Visitors who were in the same trades never ceased praising them. Some of them were surprised, saying: "We never expected that there could be good factories like these in the desert!"

It is logical that people should feel surprised at something so unexpected. But what did they initially expect to see? Frankly speaking, people who have long lived in the capital and have never traveled beyond the Great Wall may expect to see "vast skies, boundless wilds, and herds of sheep and

cattle being revealed when the tall grasses are bent by winds," or to see "snow-covered grasses heading when the north winds sweep across the land, and snow falling in the Hu (non-Han nationalities) skies as early as in the eighth month [of the lunar calendar]." In a word, people expect those places to be deserted, bleak, barren, and backward. A comrade who visited Nei Monggol for the first time said with deep feeling: "I thought as soon as we reached Hohhot we would see cattle and sheep roving, hear bells on camels ringing, and see an idyllic, pastoral scene of a prairie. It surprised me to find that the prairies are still a long way off." Actually, these preconceptions can neither reflect a general picture of today's Nei Monggol nor reflect the actual conditions of today's pastoral areas. For example, a system of contractual responsibility governing both animal raising and grass cultivation is being popularized in the pastoral areas. Herdsmen are enthusiastically talking about the commodity economy. New things have appeared on the prairies, like wire-mesh fences, medicated bathing pools, private cars, wind-powered generators, and so on. They reflect new aspects, emerging over the past few years, of the productive forces and production relations. Even those in our company who had visited the Nei Monggol prairies before would by now hardly have had a good grasp of these new things had they not personally joined this visit.

Lacking a good grasp of the new situation is not something to be afraid of; what one should be afraid of is that one is not aware of this lack of knowledge. The parable of "a frog in a well thinking the sky to be as big as the bore of the well" has been handed down from ancient times, and this parable has been used in the majority of cases to deride peasants and countryfolk. Actually, whether one is limited by ignorance, as alluded to in the parable, does not depend on the locality or depend on whether one lives in a city or lives in the countryside. If a city dweller does not broaden his horizon, the city can also become the "well" that restricts his access to information and makes him ignorant. If a line of distinction continues to be drawn between city dwellers and the countryfolk, and if we continue to look at "weizhuang" in the same way as city dwellers customarily do, we will be liable to be overweening, feeling complacent like A Q. This is a sign of backwardness.

Of course, judging from past history and the current reality, cities are, after all, centers of economic development and civilization. In a vast country such as ours which over several thousand years in the past has relied mainly on agriculture, differences between the cities and the countryside remain prominent today. The elimination of these differences will entail an arduous and protracted course of development. Judging from the current situation, the cities are associated with many good, advanced things not yet found in "weizhuang"; moreover, compared with many well-informed and open-minded city dwellers, people living in the "weizhuang" (including people living in the rural areas, pastoral areas, forestry areas, fishery areas, tea-growing areas, and even small cities and towns) undoubtedly have their own limitations. However, it should be noted that since the 3d Plenary Session of the 11th CPC Central Committee, marked successes attracting public attention on a wide scale have been achieved in the countryside. These successes have further become an enormous driving force

promoting urban reforms. New changes of great historical significance in the relations between the cities and the countryside have been taking place in our country. People must correspondingly change their ideas, replacing old ideas by new ones. Therefore, I think that if conditions permit, it becomes a highly necessary and beneficial thing for the city dwellers to have more visits to the "weizhuang," where they can carefully observe the exciting life and profound changes.

CSO: 4004/15

NEW EXPLORATIONS OF THE EXPLORERS--ON LU WENFU'S CREATIVE WORK IN THE NEW PERIOD

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 32-35

[Literary and art commentary by Chen Liao [7115 6697]]

[Text] Comrade Lu Wenfu [7120 2429 1133] is a writer who has grown up and matured since the founding of new China. In the 1950's, he made a name for himself by writing "Deep in the Alley." In the 1960's, he won praise for his "Master Ge." After the removal of the four villains, he won the 1977-1978 and 1980 outstanding short stories awards with his "Sacrifice" and "The Old Peddler Family." Then, in 1983, he won another such award with "The Wall." His novelette "The Gourmet" was widely read. Although Lu Wenfu has already reached the age when one supposedly "knows the decrees of heaven" (he is 57), he still maintains and carries forward the spirit of exploration displayed in his early years as an "explorer" of literature. He has not written as many books as some of the "proficient" writers, but each piece of his writing is the result of the solemn quest for life. Thus, each piece can evoke due response from the readers. Besides profound ideas, he also strives for artistic quality. This untiring spirit of exploring is worth promoting. If there is any "secret" to the success of Lu Wenfu's creative works in the new period, this is probably it.

Lu Wenfu's explorations in his creative works in the new period can mainly be seen in the following aspects:

He explores ways to imbue a stronger sense of history and sense of reality in his characters. In the past, the characters in Lu Wenfu's works only showed their thoughts and actions at the time. Even when he described their past, he only did so for the purpose of illustrating the historical roots of their present thoughts and actions. He was unable to make his readers see the historical content of his artistic images. Thus, his characters lacked a strong sense of history and lacked depth. His recent works are quite different. As a man of experience who has seen a lot, he now has the "family history" of hundreds of characters in mind. Thus, he can stand on the plane of history and use historical viewpoints in describing how his characters think and act in a particular way in real life. Thus, even though he does not tell us anything about a person's past, we can still feel or guess what this person was like in the past from the portrayal of his gestures, his

speech, and his action. This has enhanced the sense of reality and sense of history in his characters. Director Wu in "The Wall" is such a person. In the story, Wu impresses us as a worldly wise man who is shrewd in "leadership" and mediation in the matter of fixing the wall. But, from the portrayal of his words and deeds, we can perceive and realize his past; in his youth, he was "also full of life and vigor," quite unlike the slick and sly person he now is. But the repeated movements and political struggles smoothed his edges and made him feel frustrated. Perhaps he had been overhasty in making known his stand on a particular issue and had suffered as a result. Because of this, he became overcautious. At one stage, he showed bias toward one of the three factions in the institute and was attacked by the other two. His immediate boss kept him in a leadership position all along because he was obedient and appeared to be experienced and prudent. Thus, he turned from a young man "full of life and vigor" into the leader he now is. Although the story tells us about today's Wu, we can feel what the Wu of yesterday was like. Thus, the character has a "realizable historical content" as Engels noted. In "The Special Tribunal," Wang Changping was a man of the past for whom a memorial service had been held, but then there is a strong sense of reality about this character. Wang was a common, feeble-minded, and conservative man of wretched appearance, but he had a smooth career and was promoted time and again. The reasons were: First, people of this kind kept themselves well-protected and kept reminding themselves that they "must not make mistakes and create problems." Second, people of this kind were "smooth" and "obedient." They "regarded the leaders as their boss and the masses as customers." They "kicked out people who made mistakes without showing any consideration for their feelings, treating them as beggars." Today, as major reform is being carried out in respect to cadre work, the emergence of an artistic image like Wang Changping will no doubt give us much food for thought: Can cadres like him be chosen as successors? Can they be allowed into leading bodies? Can they meet the needs in the new situation of all-round reform? Is Wang Changping still alive and active among us? Thus, this character for whom a memorial service was held has a very vivid sense of reality. The characters in Lu Wenfu's works in the new period can impress us with their sense of history and sense of reality because he has not just one, but many, people like Director Wu and Wang Changping on file. Lu Wenfu resumed creative writing after the "Great Cultural Revolution." He entered the special arena of creative writing with the accumulated experience of 7 years as a journalist, 8 years as a worker, and 9 years as a peasant. Things are not as easy as they seem to be. Without such a wealth of experience, Lu Wenfu's brief sketches of characters could not impress us with such a strong sense of history and sense of reality.

In his works, he explores ways to "reflect big things through the small" and to make the "big" things appear even "bigger." Lu Wenfu was quite good at this to begin with. For 30 years, he wrote about nobodies, minor incidents, small cities and towns, and storms in teacups, trying to see the big, mundane world through the small window of life. But in his previous writings, the "big" things were not, strictly speaking, very "big." This is also true of "Master Ge," in which Lu Wenfu portrayed how a worker demonstrated his spirit as master of the country on the small matter of ingeniously fixing

a piston on two separate occasions. It is true that what he portrayed was by no means something of no significance, but such an incident only covered a limited scope of life. The "big" things reflected in Lu Wenfu's works in recent years are really "big." From the disputes between Gao Xiaoting and Zhu Ziyi, two nobodies portrayed in his masterpiece "The Gourmet," and from their ordinary existence, we can see the "big" issue of the three ups and two downs in China's urban work. From the movements to do away with prostitution and opium-smoking, to oppose local despots, and to suppress counter-revolutionaries in the early postliberation period, to the movements against the three evils and the five evils, every move was in keeping with the orientation of social development. That was why even Zhu Ziyi, a real estate capitalist and gourmet, "appeared quite liberated." During that period, the line we followed in urban work was correct. There was a bustling and thriving scene on all fronts. But, from the mid-1950's onward, the "leftist" tendency became more and more serious in urban work. All classy restaurants were turned into eating places for the masses. Suzhou cuisine no longer tasted as good; the quality of food had deteriorated; there were too few varieties to choose from; service was poor--so the patrons complained. During the 3 years of difficulties, the city people also suffered from hunger. The gourmet Zhu Ziyi was obliged to beg for pumpkins for a living. Urban work suffered serious setbacks. In 1961, various trades and professions began to pick up following readjustments in urban work. Renowned restaurants and cuisines made their comeback. "It was suggested by the leadership that classy restaurants be opened and expensive dishes be served to help recall currency." "Expensive dishes again lured Zhu Ziyi back to our restaurant." Even Gao Xiaoting and his family could taste chicken that cost more than 10 yuan each. But good times did not last long and the unprecedented "red storm" suddenly arrived. Zhu Ziyi was naturally branded "a bloodsucker." Even Gao Xiaoting who took the lead in reforming the catering business was treated as a "capitalist roader" and had to stand side by side with Zhu Ziyi in front of the neighborhood committee to beg for forgiveness. Urban life was in a great upheaval, with the roles of man and demons confounded and right and wrong stood on their heads. After the downfall of the "gang of four," particularly after the 3d Plenary Session of the 11th CPC Central Committee, urban work was completely set to rights. Gao Xiaoting "emancipated his mind and stopped seeking uniformity. He even introduced some foreign things." Zhu Ziyi's "only talent," that of being a "gourmet," was suitably made use of by letting him pass on his "experience with food" in the catering trade. Through "small" things that happened to the common lot, "The Gourmet" vividly presents before our eyes the "big" issue of the three ups and two downs in urban work. As a further illustration, let us look at the novel "The Emancipation of Tang Qiaodi," on which critiques have rarely been commented. Tang Qiaodi was economically emancipated after liberation, but culturally she had not shaken off the yoke. She was also unable to enjoy a quiet and comfortable life in her old age. For some time after the founding of the People's Republic, political movements took place one after another and the tendency to belittle the study of cultural and scientific knowledge arose. Later, it was clamored that "having a lot of knowledge is useless" and that "the more knowledgeable, the more reactionary." As a result, workers like Tang Qiaodi who "were paid 80 yuan in wages although they were illiterate" were honored, while intellectuals

were more and more discredited. The effect of this was that the number of cadres who "took pride in" being rustic and uneducated increased. These people resigned themselves to being laymen and having no special skills. Was this error on the question of culture and knowledge not a major error in our work since liberation? Thus, through this "small" incident, "The Emancipation of Tang Qiaodi" calls our attention to a big question that has a vital bearing on the success or failure of the "four modernizations." The scope covered is far greater than just the isolated but tragic case of Tang Qiaodi's illiteracy. It reflects the fact that ultra-leftist trends of thought have widely smeared and distorted the image of our social life. This special feature in the creative writing of Lu Wenfu over the last few years has resulted in his works reflecting an unprecedented breadth of life and ideological depth.

Closely associated with the above is the effort made by Lu Wenfu in recent years to explore ways to increase the amount of information in his works and to transmit the latest information in society. Lu Wenfu's works in the two previous stages were basically about one person, one incident, or one theme. They did not contain much information and failed to give feedback on the latest information in society. This is no longer the case. Lu Wenfu has consciously come to realize that "in creation, we can and should use more than one theme, and can hit many targets at the same time just like multi-warhead ballistic missiles." (See "A Layman's View on Novels," p 79) Thus, his recent works have more than one theme and contain a lot of information. "The Wall," which topped the 1983 list of outstanding short stories, can be said to point out the present malpractice where "idle talk holds things up and hard work invites criticism." But then we may also say that it satirizes bureaucratism. It is also correct to say that it eulogizes reformers and men of action like Ma Erli. It can also be argued that "The Wall" seeks to remove the many invisible walls that block the "four modernizations".... The multiple meaning in the themes of Lu Wenfu's recent works is closely related with the huge amount of information contained in his writings. In recent years, Lu Wenfu has struck deep roots in the thick of life. Taking the entire city of Suzhou (including its suburbs and rural areas) as his base, he often penetrates into various fronts and every corner. He also makes investigation trips to other places once or twice a year. This enables him to obtain new information about life quickly and to see life in a new light. Thus, the feedback on new social information in his works often provides us with much food for thought and stimulates us to see the truth. In "The Old Peddler Family" put out in 1980 he gave feedback on the new social information which said: We cannot have "everybody eating from the same big pot" and holding the "iron rice bowl." This was done through the touching portrayal of the hard lot of the peddler Zhu Yuanda over the greater part of his life. At that time, the question of the reform of the economic structure had not yet been put forward. In "The 10,000-Yuan Household," a comic-tragedy (or tragic-comedy) which describes how a great number of people helped Sun Wanshan "spend money" after his became a 10,000-yuan household, he delivered the latest information that the unhealthy practice of grassroots-level cadres taking more than their share might resume in a new form under the new situation. He thus reminded us that under the excellent situation of reform, we must remain cool-headed and prevent and guard against the

emergence of "leftist" things in a new form. The importance of this latest information is self-evident. Unlike works depicting how the peasants worked to improve their material conditions after becoming well-off thanks to the implementation of the system of responsibility in the rural areas, the latest information conveyed in "The 10,000-Yuan Household" has far greater social significance because it has a vital bearing on the success or failure of reforms in the rural areas. One of the reasons why "The Gourmet" is widely acclaimed is that it delivers the latest information that we must not only implement the line of the third plenary session and arouse the enthusiasm of different kinds of people to serve socialist construction, but must guard against the emergence of nonessentials that are likely to interfere with our efforts in the mighty torrent of reform. It is good to see that Zhu Ziyi, a parasite in the old society, became a useful person after the third plenary session. This is Lu Wenzhu's ingenious praise of the line of the third plenary session. But Lu Wenzhu has also noted at the same time that in our implementation of the policy of invigorating the domestic economy and opening to the outside world, it is not so good to see someone like Zhu Ziyi who can only talk about his "experience with food" being boosted to a position as head of a cooking school and even paid "80 to 120 yuan" a month for his so-called "technical guidance." When most writers are still singing the praises of the reform, Lu Wenzhu not only fully affirms the main trend of reform but profoundly reveals some aspects that are difficult to avoid in the reform and delivers to society the latest information regarding the reform. This shows his courage and insight, as well as his penetrating judgment of life. Not that Lu Wenzhu is a particularly wise man, it is just that he penetrates into the thick of life and is able to make new discoveries about life. The environment since the 3d Plenary Session of the 11th CPC Central Committee, which is filled with sunshine and dew and is extremely conducive to creativity, encouraged him to give feedback on new social information in his works. These quests in the recent works of Lu Wenzhu have won him an ever-growing readership.

CSH: 4004/13

NEVER FORGET THE 'RELIANCE ON TWO THINGS' IN INVIGORATING ENTERPRISES

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 34-35

[Article by Zhou Qisheng [0719 0366 3932], factory director of 1st First State Cotton Mill of Changzhou in Jiangsu]

[Text] Over the past several years, our factory--the First State Cotton Mill of Changzhou, has been learning from the experience of the Shuangliu Steel Works. Integrating their experience with our own specific conditions, we have established a relatively sound economic responsibility system. Internally, we practice a system of distribution whereby remuneration varies directly with work done, with an absence of ceilings or floors. The piece rate wage system is applied to workers at the forefront of production. Last year, taking for reference the experience of the countryside in practicing contracted economic responsibility system, we instituted in the 5 workshops and 13 departments of our factory the system of profit-linked and cost-linked contracting. This year, our factory was chosen as an experimental unit for practicing the system of factory director responsibility, and we have correctly carried out a series of reforms. The reforms have promoted production, so that a sustained enhancement of economic results has been achieved. Total output value increased from 37,071,000 yuan in 1979 to 108,538,300 yuan in 1983, at an average annual rate of increase of 20.16 percent; and the amount of profits and taxes increased from 9,867,200 yuan to 19,821,900 yuan, at an average annual rate of increase of 19.66 percent. In the experimental period of this year, the average monthly profit has been 7.4 percent higher than in the 5 months before experimentation.

What I have learned in the process of invigorating the enterprise is first, that we must rely on the guarantees and support provided by the factory party committee, and second, that we must rely on the role of the masses of workers and staff members as masters. Specifically speaking, with the practice of the system of factory director responsibility, the factory director's status in the enterprise is clearly defined, his responsibility and powers are greater, and greater demands are made on him. This is one aspect of the matter. However, we must also note that in the current era of rapid change and fierce competition, an enterprise cannot be invigorated by relying on the factory director alone.

In introducing the system of factory director responsibility, I have worked hard to acquire a clear understanding of the following four points: First, the system of factory director responsibility represents a further perfection of the enterprise leadership system in our country; second, this system definitely does not mean doing away with party leadership, but actually serves to genuinely strengthen party leadership; third, this system represents an objective prerequisite for modern large-scale production, and the assuming of responsibility by the factory director does not mean dictatorial decisionmaking by a single person; and fourth, I have acquired a full understanding of the consistency of being responsible to the state, being responsible to the enterprise, and being responsible to the staff members and workers, so that I can consciously set right the relations of interests between the three parties.

On a practical level, I have taken the initiative to do four things:

First, I have taken the initiative to obtain guarantees and support from the party committee. In July this year, I exercised for the first time the power to upgrade the wages of those staff members and workers who made special contributions. I had to raise the wages of 41 staff members and workers to the first grade. This was a new task. Remembering the lessons from past experience in raising wages, I formulated a plan beforehand and asked the party committee for advice. I obtained the support of the party committee and did some relatively deepgoing and painstaking work. Therefore, I accomplished this task relatively satisfactorily in only a week's time and won the support of the majority of staff members and workers. A minority of staff members and workers showed disagreement. The factory party committee opportunely mobilized party organizations and party-member cadres to conduct home visits and have a heart-to-heart talk with them, so that the problem was relatively quickly solved.

Second, I consciously respected the democratic rights of the congress of staff members and workers and took the initiative to support the launching of work by the congress. Under the leadership of the factory party committee, our factory formulated a system of work for the congress of staff members and workers and defined the rights of the congress in the form of some "minor legislation" which the factory administrative authorities must conscientiously abide by. We have paid particular attention to supporting the work of the congress and helping it solve difficulties in its activities. Thus, the party organizations, the administrative authorities, the workers' organizations, and the youth league have been made to think alike and work for a common purpose. In April this year, at a meeting of the congress, we discussed a scheme for economic contracting. Economic contracts were signed at the meeting. Subsequently, various representative groups organized meetings to mobilize the masses of workers in the workshops to discuss the fulfillment of the economic contracts. A consumer factory offered to purchase monthly from our factory, at a premium price, 20 tons of yarn produced by our open-end spinning workshop, to be used in the production of export goods. At that time, the production capacity of the earlier processes was small and open-end spinning tasks were adequate. Was there potential to be tapped? We immediately discussed the matter with the prespinning workshop

and the open-end spinning workshop. Having decided upon a method of distribution, on a premium basis, of the profit arising from the extra output, we mobilized the masses to increase output. Consequently, we overcame the problem of inadequate production capacity in the earlier processes, satisfied the consumer's demands, helped create some foreign currency earnings on behalf of the state, and also increased the enterprise's earnings for the year by 200,000 yuan.

Third, I took the initiative to heed the opinions of the masses and to subject myself to their supervision. Since August 1981, our factory has been practicing a system whereby on the 25th of each month the factory leaders and members of the presidium of the congress of staff members and workers jointly receive visitors from among the masses. Over the past year or more, 131 visits from staff members or workers were received, 106 opinions were heeded, and all questions asked were answered. At the initial stage of the experiment, many staff members and workers worried about a reduction in income and a weakening of the labor protection they formerly enjoyed. We promptly studied the matter and decided that basic wages would not be made to float and that reasonable labor-protection welfare facilities for staff members and workers would not be affected. The staff members and workers told us that their personal medical expenses had increased since September this year, when the municipal hospital started a trial reform of the system of medical services whereby treatment for patients is financed from public funds. We promptly consulted the congress of staff members and workers, and so on, and made the regulation that any additional medical expenses incurred by the staff members and workers would be paid by the enterprise.

Fourth, I took the initiative to assign orders to various section heads and workshop chiefs. We formulated 16 regulations governing the delegation of greater powers to workshop chiefs and section heads, so that authorities at various levels could genuinely have both responsibility and powers. The prespinning workshop chief exercised the powers delegated to him. He boldly carried out reforms within his workshop and thus mobilized the enthusiasm of the staff members and workers of his workshop. Consequently, not only was the 120,000 yuan deficit of the first half of the year made good, but the planned contracted profit target of 337,000 yuan had been overfulfilled by September.

Practice since the start of the reforms has made me feel deeply that in order to invigorate an enterprise, a factory director must not only be courageous enough to open up new paths or programs, but must also rely firmly on the guarantee and support provided by the factory party committee and rely firmly on the enthusiasm, initiative, and creativity of the masses of staff members and workers.

REFORM AND BASIC SOCIAL CONTRADICTIONS

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 36-41

[Article by Zhang Jing [4545 4544]]

[Text] The contradictions between the relations of production and the forces of production, and between the superstructure and the economic base, provide the impetus for social development and are the basic cause of all social change. The standpoint and point of departure of the Decision of the CPC Central Committee on the Reform of the Economic Structure is an analysis of the development and changes in our nation's basic social contradictions since the establishment of the socialist system. It particularly concerns itself with the present manifestations, and through the analysis points out the direction and road of reform and proposes reform policies and measures. Thus, in studying the decision of the Central Committee, we should deeply ponder the relationship between reform and the basic social contradictions.

Treating Our Nation's Basic Social Contradictions in a Dialectical and All-Round Way

What is the situation concerning our nation's basic contradictions?

We can see from the Central Committee decision that our party has made an all-round appraisal and dialectical analysis of our nation's basic social contradictions. That is, the socialist relations of production which have as their base the public ownership of the means of production are, generally speaking, suited to the development of the forces of production; and a socialist superstructure which has as its core the four basic principles is, generally speaking, suited to the economic base. It is exactly for these reasons that our nation's economic construction has been able to achieve results which were totally impossible to achieve in old China, and this has demonstrated the superiority of the socialist system. However, our relations of production and the superstructure have not yet been sufficiently perfected and there still exists the malady of aspects being unsuited to or even obstructing the development of the forces of production. Thus, the speed of economic development has been affected, which has resulted in the superiorities of the socialist system not being brought fully into play. It is precisely this contradictory situation where things are on the one hand suited, but on the other hand not suited, where the basic system is

suited but some specific systems are not suited, which determines that we must carry out reform. If we do not, then we will be unable to more quickly develop the forces of production and fully bring into play the superiorities of socialism. However, this reform will not change the socialist system. Rather, it is the self-perfection and development of the socialist system. This is our party's basic viewpoint with regard to the reform. This viewpoint can help people to further liberate their minds, smash through ossified thinking, be brave in reform, and be enterprising. It can also help people increase their faith in the socialist system. Thus, it has far-reaching significance in guaranteeing the smooth implementation of reform.

The facts of our nation's economic development in the 35 years since the founding of the PRC fully demonstrate that the Central Committee's decision on the reform of the economic structure is correct in terms of its analysis of our nation's basic social contradictions. The two lines in the graph below rise and fall, but there is a general upward curve, and this clearly demonstrates the point.

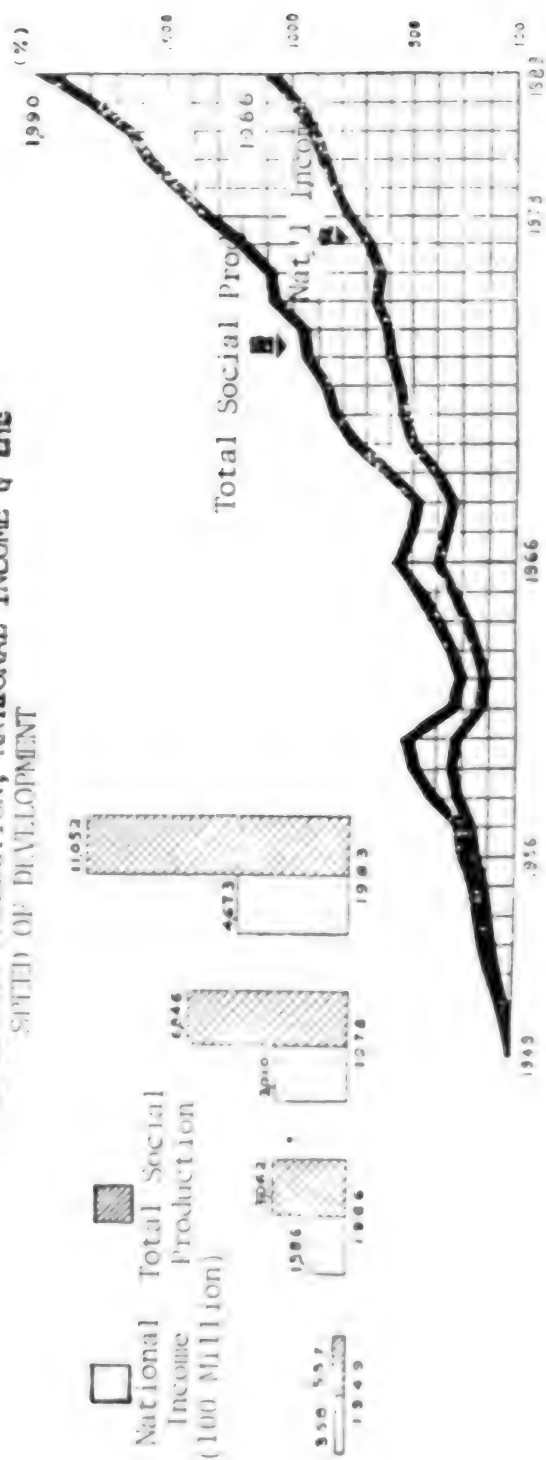
These two lines form a curve which has theoretical significance and which sets people thinking. In a certain sense, it vividly reflects the historical situation of our nation's basic social contradictions, and embodies profound experiences and lessons.

1. In the past 35 years, although there have been great losses and we have sustained serious setbacks, total social production has still increased by 19 times, an average increase of 9.2 percent a year. National income has increased by 9.9 times, an average annual increase of 7.3 percent. This speed of development in the same period cannot be matched by any capitalist country. This shows that our relations of production and superstructure are, in general, suited to the forces of production.

2. If we link up the two "valley floors" on the development curve with the historical background at that time, we can see that the first "valley floor" appears after the "Great Leap Forward" movement and the movement to organize people's communes in 1958 and 1959. The second "valley floor" appears after the great disorder of the "Cultural Revolution's" initial years in 1966 and 1967. This shows how the mistakes which occurred in the transformation of the relations of production and in the superstructure directly and seriously undermined the development of the social forces of production and led to a sudden decline in the speed of economic development.

3. The last section of the development curve shows a sharp rise. This is the result of the stability and unity since the smashing of the "gang of four" and especially of the great historical turnaround realized since the 3d Plenary Session of the 11th CPC Central Committee, during which a reform of the relations of production and of the superstructure has been carried out. In the 5 years from 1979 to 1983 total agricultural production value increased by an annual average of 7.9 percent, greatly surpassing the 2.9 percent average annual increase which was achieved in the 21 years from 1958 to 1978. This convincingly shows how carrying out reform with vigor directly promotes the development of the productive forces. The main reason the speed

TOTAL SOCIAL PRODUCTION, NATIONAL INCOME & THE
SPEED OF DEVELOPMENT



of development was slow in the old economy was that the relations of production and the superstructure had not been perfected and there still existed the malady of these being unsuited to or even obstructing the forces of production. It is quite certain that doing well in the overall reform of the economic structure in accordance with the Central Committee's decision will promote the great development of our nation's social forces of production.

The positive and negative experiences and lessons embodied in the development curve, if summed up in one point, is precisely that which was pointed out by the Central Committee's decision: China can only be saved through socialism. Only if the basic social contradictions are correctly handled and reform is carried out with great vigor can we cause the socialist economy to smoothly develop in a lively and vigorous way. We must take these two aspects and link them together, handle things in an overall way, and analyze things dialectically so that people, as pointed out in the Central Committee's decision, "fully realize that socialism with Chinese characteristics should be full of vitality, different from the rigid pattern of the past and fundamentally different from the capitalist system. This will deepen their understanding of scientific socialism so that they devote themselves to making reforms."

Drawing Enlightenment From the Twists of History

As to the question of the relationship between the basic social contradictions and reform, over the last 30 years we have taken a winding road. In general, during the early years of the PRC and in the First 5-Year Plan, the track was correct, even though there were some shortcomings and errors. Rather large mistakes occurred in the 10 years after 1957 and during the "Cultural Revolution." Lin Biao and the "gang of four" brought disorder. Since the 3d Plenary Session of the 11th CPC Central Committee, we have again returned to the correct track of Marxism. Looking back on this winding course is beneficial to deepening our understanding, on the theoretical level, of the Central Committee's decision on reform.

The first few years after the founding of the PRC and the First 5-Year Plan were a period of great changes in, and great reform of, our nation's relations of production. In this period our party combined the basic principles of Marxism-Leninism with the concrete practice of our nation's revolution and construction, creatively carried out the socialist transformation of the privately owned means of production and smoothly completed the tasks of large-scale economic construction. With regard to the individual economy of the peasants, in accordance with the situation of the forces of production and the level of the peasants' understanding, we adopted a set of transitional forms from the lower levels to the higher levels and gradually realized cooperativization. With regard to the transformation of capitalist industry and commerce, we also creatively adopted, on the basis of the actual situation, a set of state capitalist forms from the lower levels to the higher levels so that gradual transition would occur and success would be achieved when the conditions were ripe. Thus, this great change in the relations of production not only did not damage the forces of production, but developed them.

in this period, although some shortcomings and errors appeared, in general things were done by adhering to the objective law that the relations of production should be suited to the forces of production and the superstructure should be suited to the economic base. The guiding ideology was one of seeking truth from facts, one which opposed both conservatism and rash advance. Thus this complicated, difficult, and far-reaching social reform was carried out smoothly, promoting economic construction on a large scale.

As to the shortcomings and errors which appeared in transformation in the latter period, especially the malady of central being excessive and too rigid in the economic system, the party Central Committee immediately perceived them and put forward a set of measures to correct them. At that time Comrade Chen Yun, who managed economic work for the Central Committee, proposed the idea of the three "major parts" and the three "supplements" for the socialist economic structure. (The idea of the three "major parts" and three "supplements" was put forward by Comrade Chen Yun in September 1956 in a speech at the eighth party congress. He pointed out: In terms of industrial and commercial operations, state and collective operations should be the main part, while a certain small amount of individual operations should form the supplement. In terms of production planning, planned production should form the main part of industrial and agricultural production, while free production within the bounds allowed by the plans should form the supplement. In the socialist unified market, the state markets should form the main part and free markets within certain limits and under the leadership of the state should form the supplement.) This was a good plan for overcoming shortcomings and correcting errors, and provided the orientation for handling basic social contradictions. Comrade Mao Zedong in his report "On the Ten Major Relationships" made in 1956 also pointed out that we had to resolve the problem of the central authorities and the provinces and cities being too centralized, and the localities and factories being without independence or flexibility. On the ideological and methodological level, he elucidated: "In principle, centralization and independence form a unity of opposites. There must be both centralization and independence." And "every unit of production must enjoy independence as the correlative of centralization if it is to develop more vigorously." At the beginning of 1957, Comrade Mao Zedong in "On the Correct Handling of Contradictions Among the People" further utilized the law of independence and centralization to make a profound exposition on our nation's basic social contradictions.

These all show that in the middle of the 1950's, our party in a timely way recognized the contradictions between the relations of production and the forces of production, and between the superstructure and the economic base, and shows that a scientific Marxist analysis was made. Even though on some specific questions, the understanding was restricted by the historical conditions at the time, on the whole the theory was correct and the direction was right.

Unfortunately, this correct understanding was not consolidated and it was not possible to completely follow this correct direction in pressing forward.

This was mainly because of the "leftist" mistakes in guiding ideology after 1957. These mistakes were centrally manifested in an erroneous assessment of the form of class struggle. The contradiction between the proletariat and the bourgeoisie, which had been basically resolved, was again simplified and was again seen as the major contradiction within the country. This could not but have an effect on the understanding and handling of the basic contradictions.

After the basic completion of the socialist transformation, when the new relations of production had just been established, it was necessary to have relative stability so that they could be consolidated and perfected, and thus would be of benefit to the development of the forces of production. The so-called "perfecting" was mainly handling well administration, and distribution according to work, so as to fully arouse the laborers' enthusiasm and raise labor productivity. However, because of the stress placed on continuing the struggle between the two roads of socialism and capitalism, and the one-sided exaggeration of the reaction of the relations of production on the forces of production, the results were: First, an ownership system under which operations were "larger in size and had a greater degree of public ownership" was sought, and there was impatience for the transition. Second, the management of operations was overcentralized, and control was excessive and too rigid. Third, in financial allocations, everyone ate from the same big pot and one-sidedly stressed common prosperity, leading to serious egalitarianism. This, to a certain degree, departed from the objective law that the relations of production must accord with the situation of the forces of production.

After the basic completion of the socialist transformation, the situation of social classes saw a basic change. Although class struggle still existed, it was not the main contradiction. In this situation, the main task of the superstructure should have been to expand socialist democracy, strengthen the socialist legal system, perfect the system of leadership, formulate principles and policies which accorded with the actual situation, and better bring into play its function of organizing and managing the economy and cultural and educational undertakings so as to serve the development of the forces of production. However, because the general guiding ideologies were "taking class struggle as the key link," continuing to resolve the problem of "who will triumph over whom" and "combat and prevent revisionism," political command was one-sidedly stressed, as was the implementation of the class line and energetic involvement in mass movements. The result was that the expansion of socialist democracy and the strengthening of the socialist legal system failed to gain a place on the agenda of important things to do. In the leadership system, party, government and enterprise functions were not separated. The maladies of the party acting for the government, the government acting for the enterprises, economic management being overcentralized and control being too rigid increased without end. Organs were overstaffed and bureaucracy became daily more serious. In addition, in the area of consciousness formation, erroneous criticism was continually developed. This not only harmed a great number of intellectuals and hampered the development of cultural and scientific undertakings, but directly affected the development of the socialist economy. In this way,

the superstructure, however, in a certain degree, divorced from the track of serving the economic base.

On the other hand, during the 40 years, the CPC Central Committee continually discovered and overcame mistakes in the relations of production and the superstructure. For example, in the process of readjusting the national economy, the Central Committee, in connection with the problems which arose, formulated in succession a series of work regulations and stipulated concrete policies suited to the situation at the time. Thus, although serious setbacks were encountered, great accomplishments were still achieved.

In the period of the "Cultural Revolution" Lin Biao and the "gang of four" completely distorted Marxist-Leninist theory with regard to the basic contradictions. They criticized the so-called "theory of the importance of the forces of production" and went in for "transition through poverty." They criticized distribution according to work and the system of bonuses as products of revisionism, and threw into disorder the correct relationship between the relations of production and the forces of production. They preached "giving prominence to politics" and "all-round dictatorship," and even vilified modernization as the "restoration of capitalism." They threw into disorder the correct relationship between the superstructure and the economic base, which caused great losses in socialist construction. Because the party and the people carried out arduous struggle, especially under the direction of Comrade Zhou Enlai and Comrade Deng Xiaoping, and successively carried out reorganization and readjustment of the national economy and the economic system, the damage done by Lin Biao and the "gang of four" was limited to a certain degree. This also resulted in economic construction being able to make progress. However, in general, the defect of aspects of the relations of production and the superstructure not being suited to the forces of production was exacerbated and strengthened.

After the 3d Plenary Session of the 11th CPC Central Committee, bringing order out of chaos with regard to guiding ideology and a change in the focus of work were achieved. On the one hand this caused the problems in the relations of production and the superstructure to become more obvious. On the other hand it produced conditions greatly beneficial to overcoming these problems in an overall way. The 3d Plenary Session of the 11th CPC Central Committee clearly pointed out the task of changing, in many ways, those aspects of the relations of production and the superstructure which did not accord with the forces of production. In the past 6 years we have carried out reform of the rural economic system, the party and state leadership systems and organs, cadre systems and so on. We have put forward a series of important principles and policies, including those for enlivening the domestic economy and opening to the outside world, as well as allowing and encouraging some people to become better off first. We have done much work in developing socialist democracy and in strengthening the socialist legal system, while in the reform of the economic structure, which takes cities as the focal points, many experiments and probes have been carried out, providing clear results and important experiences. In the period since the 3d Plenary Session of the 11th CPC Central Committee, our party has brought order out of chaos in regard to the question of the basic contradictions,

and has again returned to the Marxist track. This period has also seen the most clear-headed understanding and the most successful handling of the basic contradictions.

The winding road we have taken over the last 30-plus years and the several periods we have gone through clearly show that the forces of production determine the relations of production and the relations of production must be suited to the situation of the forces of production. The economy base determines the superstructure and the superstructure must accord with the needs of the economic base and must serve the economic base. This is an objective law which cannot be changed by man's will. The Central Committee's decision handles things entirely in accordance with this objective law, both by carrying on the correct understanding and successful experiences of the past and by drawing lessons from past mistakes. Engels said: "If we want to clearly understand theory, the best way is to study it on the basis of our own mistakes, 'from our own bitter experiences.'" ("Collected letters of Marx and Engels," p 440) In this sense, if there was no winding road in the past and we had not suffered setbacks, there would not have been the smooth progress and successes we have experienced since the 3d Plenary Session of the 11th CPC Central Committee and it would not have been possible to produce the present Marxist document on the reform of the economic structure.

The New Contributions Made by the Central Committee's Decision on Reform With Regard To Handling the Problem of the Basic Social Contradictions

The decision of the CPC Central Committee on reform of the economic structure creatively utilizes the Marxist-Leninist theories in relation to the basic social contradictions and positively sums up the positive and negative experiences and lessons. It provides a complete program for our present overall reform of the economic structure, and makes new contributions with regard to the correct handling of our nation's basic social contradictions in the future.

First, the decision generally points out that the fundamental theories on which the reform is based are the Marxist-Leninist theories in relation to the basic social contradictions. It also specifically elucidates a series of mutually related links and aspects of the relations of production and the superstructure which are not suited to the development of the productive forces. It thereby puts in order the main threads of the complicated problems of the economic structure, finds the key to resolving the problems, and draws a clear blueprint of a socialist economic structure with the Chinese characteristics and which is filled with vitality and vigor. The blueprint is as follows: The malalties of the present economic structure are centrally manifested in a lack of vigor in enterprises. Thus, invigorating the enterprises has become a central line in the reform. If we wish to invigorate the enterprises, the key lies in giving enterprises making power to the enterprises. If we are to give enterprises the full decisionmaking power, then we must appropriately divide up all the decisionmaking power and operational authority up to the established correct relationships between the state and the enterprises and between the enterprises and the

workers. If we are to realize this basic requirement, we must clearly recognize that the socialist economy is a planned commodity economy based on public ownership. We are also required to carry out supporting reforms in the planning system, the pricing system, in the functions of the state-managed economy, in the wage system and so on. This blueprint reflects the socialist economic laws of development and also conforms with materialist dialectics. It also embodies the scientific work method of seizing the central links to spur on overall work. If we say that previously our party's understanding of the basic social contradictions was quite shallow and we had not accurately and carefully grasped those problems which had to be solved, then it can be said that the present understanding is much deeper and that the correct path for resolving the problems has already been found.

Second, the decision of the Central Committee further makes clear that in the reform of the relations of production and of the relevant superstructure, the basic aim is to develop the social forces of production. That is to say, the reform is aimed at resolving our nation's main contradiction in the socialist period--the contradiction between the people's growing material and cultural needs and backward social production. It is also aimed at causing social wealth to be created in greater amounts and at the elimination of poverty so that the people can become prosperous and the country can be strengthened. When this is clear, then we will really be adhering to the Marxist-Leninist principles in regard to the basic social contradictions, and it will then be possible to cause people to further liberate their minds and unify their understanding in regard to reform. One of the greatest harms done to people's ideologies by the "leftist" mistakes was that developing the social forces of production was not seen as the basic task in the socialist period, and thus the success or otherwise of reform was not judged on whether in practice it was beneficial to developing the social forces of production. Because of this, naturally it was very difficult to attain a consensus on whether reform should be carried out, and if so, how. Now the decision of the Central Committee has clearly pointed out: "The basic task of socialism is developing the social forces of production." We must "set whether or not it is beneficial to developing the social forces of production as the most important criterion for assessing the success or failure of all reforms." In this way, we will be able to further eradicate "leftist" ideological influence and smash through the fetters of old traditional viewpoints so as to pave the way for reform.

Third, closely linked with the above, the Central Committee's decision further makes clear that the various aspects of the relations of production and the various sectors of the superstructure must change onto the track of serving the development of the forces of production. According to Marx' theories in his introduction to "A Contribution to the Critique of Political Economy," the relations of production include the relations between people in the production, exchange, allocation and consumption of material goods. We can say that the Central Committee's decision makes far-reaching exposition and clear stipulations on how these various relations are to be suited to the needs of the development of the forces of production and how they are to serve the development of commodity production. It makes similar exposition and stipulations in regard to the superstructure. The Central Committee

decision takes an important aspect of the superstructure--the function of government in managing the economy--and summarizes this into eight points, which are further summed up in the single word "servito." As regards another important aspect of the superstructure--political and legal organs--the decision also stresses that these must serve the economic base and serve economic construction. Previously, under the influence of "taking class struggle as the key link" and "putting politics in command," the superstructure was often seen as something that towered over the economic base, as if the duty of the leading organs was to issue orders. Actually, this course of action runs counter to Marxist-Leninist policies in regard to the relationship between the superstructure and the economic base. Lenin pointed out: An ordinary political structure, in the final analysis, serves production and, in the end, is determined by the relations of production. (See "Selected Works of Lenin," Vol 4, p 439) Stalin also said: "The base establishes the superstructure, which requires that the superstructure serve it." ("Selected Works of Stalin," final volume, p 502) The present decision of the Central Committee requires us to transform our superstructure, to transform the work style of organs, and to change the situation which was formed over a long period whereby the leading organs did not serve the grassroots-level units and the enterprises, but made the grassroots-level units and the enterprises gather around the leading organs so as to enable the leading organs at all levels to shift all of their work onto the track of serving the development of production, and serving the grassroots-level units and the enterprises. All of these requirements proceed from our nation's actual situation and creatively utilize and develop Marxist-Leninist theories in relation to the superstructure and the economic base.

Fourth, the Central Committee's decision clearly points out that reform is self-improvement and development by the socialist system. Thus, it must be carried out under the leadership of the party and government in a planned, step-by-step and ordered way. We should only help it forward and certainly must not harm social order, the development of production, the improvement of the people's lives or the strengthening of state financial capacity. This is a very important guiding ideology, which runs through all parts of the decision, and which was put forward after summing up the experience and lessons of past movements, especially the successful experiences in rural structural reform since the 3d Plenary Session of the 11th CPC Central Committee. For example, the overall economic structural reform proposed in the decision is to be carried out in accordance with the internal relationships of the various links of the national economy and in accordance with the degree to which the objective conditions have become ripe. It is to be carried out gradually, and light and heavy tasks, urgent and not so urgent tasks, and difficult and easy tasks will be carried out separately in accordance with their priority. It is to be stressed that the gradual implementation of the reform must be positive and safe. When something is clearly sized up, then reform must be carried out firmly, while in cases of doubt, experiments should be carried out first. Great reforms on a national scale must be implemented through unified planning by the State Council. In regard to reform of the pricing system and other such reforms which are related to the overall national economic situation and affect the interests of everybody, it is even more necessary to adopt a very cautious attitude.

and carry them out in a planned and step-by-step way. In reminding leading party and government organs at all levels to remain clear-headed, the decision offers meticulous guidance. It points out that mistakes are difficult to avoid completely but that we should try as best we can to avoid those mistakes which can be avoided, and so on. All these fully manifest the party's ideological line of seeking truth from facts and also manifest the Marxist work style and method of having courage and conviction in reform and having a scientific attitude.

CS0: 4004/15

WHY ARE STATE ORGANS AND THEIR STAFF PROHIBITED FROM ENGAGING IN TRADE AND RUNNING ENTERPRISES?

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 41-42

[Article by Xu Bing [1776 3571] and Yin Lantian [1438 5695 1131]]

[Text] State organs and their staff engaging in trade, running enterprises, and generally taking part in profit-making activities is detrimental to the reform of the economic structure and to the state organs and their staff in bringing their role into full play. Moreover, it disturbs the society's economy. Hence, it should be expressly prohibited.

State organs and their staff engaging in trade, running enterprises, and generally taking part in profit-making activities runs into conflict with the functions of state organs. First, a basic function of socialist state organs is to lead and organize economic construction. State organs and their staff should all observe the relevant regulations of the state and wholeheartedly perform their respective functions, correctly display their role of guiding and organizing economic construction, firmly insist on the principle of separating government from enterprise functions, and earnestly accomplish the purposes of serving the development of production and rendering services to the enterprises and the grassroot levels. They should not go against state regulations and engage in trade and run enterprises. Second, from the legal standpoint, state organs and their staff engaging in trade and running enterprises exceeds the scope of their legally fixed functions. All state organs are organized according to law. Simultaneously with deciding on the establishment of a certain organ, the law clearly stipulates the scope of functions of that organ. All the activities of a state organ must be based on its functions as prescribed by law. Not carrying out the functions prescribed by law is dereliction of duty; engaging in activities outside the scope of functions is tantamount to exceeding the limits of its authority and this is a kind of breaking the law. State organs and their staff engaging in trade and running enterprises constitutes an act that exceeds the stipulations of the law.

State organs and their staff engaging in trade and running enterprises may bring about a series of drawbacks:

1. Leads to transforming public property into private property. If enterprises other than single-handedly providing the capital or labor, including other people, state organs must provide a definite amount of capital and material resources. The source of these funds and resources is only the public funds. Thus, to use public funds to engage in trade and run enterprises for the sake of seeking profits for a concrete state organ and itself is in reality tantamount to transforming public property into private property. When the state allocates funds and material resources to a concrete state organ, it is mindful of its state's public functions. If the organ is capable of taking care of its public functions, the amount of funds, material resources, and personnel it needs to carry out its public functions, the limits of its functions, the limits of its staff, etc., should be reduced and the size of its staff should be reduced.

5. Tendency to wield power to seek private gain. Bureaucratic organizations originally conceived, State Organs and their staff agencies, if not properly controlled, will inevitably result in the placing of public property in their hands to allocate material resources and largely in an arbitrary manner for the purpose of seeking private gain for their members and those.

As regards the state organs and their actions, their procedures and work are subordinated to the performance of their specific assigned functions. At present stage, there exists in our country actually three systems of ownership: the system of ownership for the whole people, for collective and individual. Our state organs represent the people's interests and carry out the administrative functions in the name of the whole people, society, collective and individual. The economic system is a system of ownership, production and distribution of the social products, and the state organs are to perform these functions, - City, 1955, p. 11.

Just as these contradictions just like the referee in a ball game must be above or detached from the two contesting teams. Only in possessing this transcendent character will it be possible for state organs to act justly in handling the various contradictions and social affairs. If state organs and their staff engage in trade and run enterprises, being involved in the interest relationships of certain concrete units, they will inevitably lose this transcendent character, making it impossible for them to carry out their own functions. For example, if a people's court of justice engages in trade and runs enterprises, it cannot avoid developing various kinds of legal relations in production and operations with other citizens and enterprises. And if certain legal disputes should arise which the people's court of justice is required to handle, or to pass judgment on, and it happens that the court itself is one of the parties concerned, how could it possibly enforce the law? And how could its verdict on the case satisfy and be acceptable to the other contesting party?

Looking at the situation in foreign countries, it may be found that many countries in the world have promulgated laws forbidding state organs and their staff engaging in profit-making activities. Simultaneously with prescribing expressly by law the scope of functions of the state organs and their staff, these countries, either openly or by way of hinting, have stipulated that staff members of state organs should not engage in profit-making activities. Some countries even expressly prescribed that people with official state duties (meaning principally administrative officials and judicial personnel) cannot hold concurrent posts, that is to say, cannot concurrently occupy public and private posts with remuneration and cannot engage in other profit-making activities. Some countries even place stringent restrictions on the relatives of government functionaries engaging in profit-making business activities.

The U.S.S.R. illustrates that it is necessary to expressly prohibit state organs and their staff from engaging in trade and running enterprises. Therefore, we should clearly prescribe the limits to the power of state organs and the staff of state organs. In our country, state organs refer to the four categories of organs such as the people's congresses at various levels, people's governments at various levels, people's courts of justice and special people's courts at various levels, and people's procuratorates and special people's procuratorates at various levels. Staffs of state organs refer to persons working in the above-mentioned state organs and drawing their pay from the above-mentioned organs. However, in our country, the majority of the members of people's congresses at various levels are still engaged in production; hence these prohibitive regulations should not apply to them. Government organs at various levels and their corresponding organs of party committees and their staff should respectively be considered as state organs and staff of state organs and these prohibitive regulations should be applied to them. Banks in our country and their staffs should also be considered as state organs and the staff of state organs and should also be subjected to these prohibitive regulations. Although the work of a bank belongs to the category of the operational activities of enterprises, yet it plays an exceedingly important role in the development of the entire national economy. If banks and their staff engage in trade, run enterprises and engage in profit-making activities outside the scope of their functions, the above-mentioned regulations will be likewise or aggravated, causing great harm and damage.

TABLE OF CONTENTS OF ISSUES NO 13-24, 1984

Beijing RED FLAG in Chinese No 24, 16 Dec 84 pp 43-48

[Text]

JPRS
Issue-Page

STUDY THE DECISION ON THE ECONOMIC REFORM

Decision of the CPC Central Committee on Reform of the Economic Structure--Adopted by the 3d Plenary Session of the 12th CPC Central Committee on 20 October 1984.....	20- 1
Communist Party Members Must Stand in the Forefront of Reform (Editorial).....	20-21
Program for the Reform of China's Economic Structure--Studying the 'Decision of the CPC Central Committee on Reform of the Economic Structure' (Yuan Mu).....	20-25
On Several Questions Concerning the invigoration of Enterprises (Wang Renzhi).....	21- 1
Economic Reform and Ideological Emancipation--Two Items of Philosophical Thought (Gong Yuzhi).....	21-11
Consciously Rely on and Use the Law of Value To Serve Planned Economic Development (Gao Shiyong).....	22- 1
Exercise Effective Control Over Major Issues While Allowing Flexibility on Minor Ones (Wu Junyang).....	22- 9
Give Play to the Role of Government Organs in Properly Performing Their Function of Managing the Economy (Yang Qixian).....	23- 1

On a Joint Letter in Reform To Effect a New Turn in Financial Work (Wu Qiongsi, Li Yanling).....	23-14
-----------------------------------------------------------------------------------------------------	-------

POLITICAL

Twenty-Six Years of Pains Taken Over the Socialist Cause-- Introducing the 'Selected Works of Zhou Enlai,' Vol 2 (Li Ping).....	24- 1
---------------------------------------------------------------------------------------------------------------------------------------	-------

Can There Was a Model in Applying Dialectical Materialist Theory (Shi Zhongquan).....	24-11
---------------------------------------------------------------------------------------------	-------

Comprehending Study Is an Important Task of State Building--Some Understanding Derived From Reading the 'Selected Works of Chen Yun' (Liu Jiandong).....	13-16
-------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Let's Benefit From Historical Experiences--Introducing the Historical Background to Volume II of the 'Selected Works of Chen Yun' (Editorial group of the "Selected Works of Chen Yun").....	14- 1
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Let's Within a Command Tent and Devise Strategies That Will Secure Victory a Thousand Li Away--Understanding Gained From Reading Volume II of the 'Selected Works of Chen Yun' (Kao Muqiao).....	15-33
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Communist Should Treat the Masses as He Did--In Commemoration of the Decennial of the Death of Comrade Pang Dehuai (Mao Yan, Ji Peng).....	22-18
--------------------------------------------------------------------------------------------------------------------------------------------------	-------

Heart-to-Heart Talk Is an Effective Way to Promote Inner-Party Democracy and To Solve Inner-Party Contradictions (Jin Jiwei).....	13-23
-----------------------------------------------------------------------------------------------------------------------------------------	-------

Try Out in a Deep-Going Way Education in Thoroughly Negating the 'Cultural Revolution' (Commentator).....	14-23
-----------------------------------------------------------------------------------------------------------------	-------

Thoroughly Negate 'Giving Prominence to Politics,' Do a Good Job of Reforming Political Work (Liang Sixi).....	14-30
----------------------------------------------------------------------------------------------------------------------	-------

On Building Chinese-Style Modernized Armed Forces (Yang Shangkun).....	15- 1
---------------------------------------------------------------------------	-------

Comments on Ideological Education for Youngsters (Yang Renqiong).....	15-14
--------------------------------------------------------------------------	-------

On the Distribution Should Be Linked With Economic Work (Liang Shangkun).....	15-32
----------------------------------------------------------------------------------	-------

Cadres Newly Elected to Leading Bodies Must Vigorously Carry Out Reforms (Zhu Yan).....	16- 5
Be Bold in Blazing New Trails in Organization Work (Commentator).....	18-11
It Is a Glorious Mission for Old Cadres To Do a Good Job in Cooperating With New Cadres and Replacing the Old With the New (He Zai).....	18-16
A Reliable Guarantee for Hong Kong's Long-Term Stability and Prosperity (Commentator).....	20-34
Sum Up Experience, Continue To Do a Good Job in Party Rectification (Commentator).....	21-18
On Several Questions Concerning the Standards for Selection and Use of Personnel (Gu Zhirui).....	21-26
It Is Necessary To Bravely Solve the Problem of Factionalism in Leading Bodies (Li Qiming).....	22-32
A Magnificent Song of the Triumph of Collective Heroism (Zhang Zhixiu, Xie Zhenhua).....	23-19
Assess From the High Plane of Strategy the Question of Recruiting Party Members From Among Outstanding Intellectuals (Cao Zhi).....	23-28
The Five Principles of Peaceful Coexistence Are China's Basic Guidelines for Handling Relations With Foreign Countries (Han Nianlong).....	14-47
Safeguarding the Rights and Interests of Third World Countries Is the International Duty of Our Country (Tang Hualiang).....	16-15
The Crux of the Middle East Issue (Wan Guang).....	23-72

CELEBRATING THE 35TH ANNIVERSARY OF THE FOUNDING OF THE PRC

China's Socialist Economic Construction in Both Retrospect and Prospect--Written for the 35th Anniversary of the PRC (Xue Muqiao).....	18- 1
----------------------------------------------------------------------------------------------------------------------------------------------	-------

Xizang Is Marching Victoriously in the Great Family of the Motherland--Celebrating the 35th Anniversary of the Birth of the PRC (Ngapoi Ngawang Jigme).....	18-18
Take China's Own Road in Building Socialism--Dedicated to the 35th Anniversary of the Founding of the PRC (RED FLAG Editorial Department).....	19- 1
Uphold Reforms To Make the People Rich and Rejuvenate the Nation (Zhang Jingfu).....	19-15
Develop the Broadest Patriotic United Front (Yang Jingren).....	19-23
Hold Aloft the Banner of Independence, Peace, and Development While Advancing Triumphantly (Zhong Ji).....	19-28
Uphold and Speed Up Reform, Attain Better Economic Results (Lu Dong).....	19-38
Build Modern Socialist Agriculture With Chinese Characteristics (He Kang).....	19-45
Thoughts on the 35th Anniversary of the Founding of the PRC (Bing Xin).....	16-11
Constantly Strive To Reinvigorate China--In Celebration of the 35th Anniversary of the Birth of New China (Hu Juewen).....	17-11
A Tour of My Hometown on the Vast Tianshan (Burhan Shahidi).....	17-16
Be a Healthy Cell of the Body of the Party (Zhou Chao).....	17-25
The New Look of Translation Work (Jiang Chunfang).....	18-28
Facing a Great Historical Era (Bai Shouyi).....	18-32
Struggling All My Life for Education in a Mountain Village (Wang Zhenyuan).....	18-37
Our Party Style Is Getting Better Day by Day (Zhu Poru).....	19-55
Celebrating the 35th Anniversary of the Founding of the PRC (Qian Weichang).....	19-59

New Sounds of the Flower Drum (Chen Tingyuan).....	20-50
The Aspirations of a Scientific-Technological Worker (Chang Jiong).....	20-55
Develop Bioengineering; Dedicating Oneself to the Building of China's 'High-Rise Tower' (Hu Daofeng).....	20-60

GREAT ACHIEVEMENTS IN ECONOMIC AND SOCIAL DEVELOPMENT IN THE 35 YEARS FOLLOWING THE FOUNDING OF THE PRC

Changes in the Economic Composition (Statistical Data, Part IV).....	14-72
Overall Increases in Agricultural Production (Statistical Data, Part V).....	15-59
Great Strides in Industrial Production (Statistical Data, Part VI)....	16-72
Expansion of Investment in Fixed Assets (Statistical Data, Part VII)..	17-84
The Development of Transportation and Telecommunications (Statistical Data, Part VIII).....	18-87
Immense Development of the National Economy (Statistical Data, Part IX).....	19-78
The Development of Foreign Trade and the Development of Tourism (Statistical Data, Part X).....	22-65
Statistical Data on Economic, Social Development (Statistical Data, Part XI).....	23-49
The State of Minority Nationality Economic Development (Statistical Data, Part XII).....	24-46

ECONOMY

Substitute Taxes for Delivery of Profits; Correctly Handle Distribution Relations Between the State and Enterprises (Yang Qixian).....	13-30
Several Points Relating to Enhancing Economic Results in an Overall Manner (Cai Ninglin, Xin Shimin).....	15-39
Give Full Play to the Role of Cities in Organizing the Economy (Jing Ping).....	13-46

Trends in China's Agricultural Technological Reform (Du Runsheng).....	14-27
In Praise of the Spirit of Seeking Truth From Facts (Zhang Tiefu).....	14-69
'Industrial Cooperatives'--Products of the Times (Bi Pingfei).....	16-43
Emancipate the Mind, Actively Carry Out Reforms, and Open Up to the World Still More (Ren Zhongyi).....	17- 1
On the Reorganization and Merger of Enterprises (Wu Peilun, et al.).....	17-37
Invigorate the Electronics Industry, Promote the Four Modernizations Program (Jiang Zemin).....	18-53
The Dalian Shipyard Is Marching Forward Amid Reform (Zhao Dehui).....	19-73
New Changes in the Livelihood of the Chinese People (Li Chengrui, Zhang Zhongli).....	20-40
Why Is It That Current Year Prices Should Not Be Used to Calculate the Economic Growth Rate? (Zhu Qingfang).....	21-24
Some Questions Concerning Experiments of Comprehensive Reform in Sichuan's Rural Areas (Yang Rudai).....	24-28

WORK RESEARCH

An Attempt To Reform the Rural Economic System--Discussing Rural Economic Associations (Liu Zhengwei).....	16-34
Reform of the Wholesale Market and the Sphere of Circulation of Agricultural and Sideline Products (Diao Zinshen).....	17-45
On Readjustment of the Transport and Communications Setup (Jin Luzhong, Zhang Bingfu).....	18-62
Think Thrice Before Building High-Rise Residences (Zhang Kaiji).....	22-46
More on the Leadership System of Socialist Enterprises (Jiang Yiwei).....	24-36

INVESTIGATION REPORTS

- How Has Wuxi City Enhanced the Economic Results of Its Industry?
(Yang Xiaohu, Xue Yunlin)..... 1
- The Vigor of the Specialized Households Lies in Their Great
Beneficial Results--Investigation Report on the Specialized
Households in Kaiping and Enping Counties
(Policy Study Office of the Guangdong Provincial CPC
Committee, the office of the Kaiping County CPC
Committee, and the office of the Enping County CPC
Committee)..... 11
- The Most Important Thing Is To Act According to the
Ideological Line of Seeking Truth From Facts--Notes
on a Rural Survey in Fujian
(Wang Zheren)..... 27
- Cultivate the Peasant's Intellectual Resources in Close
Combination With Production--Rural Investigation Into
Two Counties in the Zhu Jiang Delta
(Nie Lili, Li Ping)..... 41

PHILOSOPHY AND HISTORY

- Reforming Systems and Changing Style
(Ri Shan)..... 17
- Drawing on Historical Experiences Is an Important Condition
for the Proper Handling of Current Work
(Commentator)..... 21
- Social Investigation and Historical Studies
(Qu Lindong)..... 48
- An Era in Which Much Can Be Accomplished by Theoretical Workers
(Jia Chunfeng)..... 71
- Human Character, Social Character, and Class Character
(Chen Zhishang)..... 78
- Dividing One Into Two and Thoroughly Negating the 'Great
Cultural Revolution'
(Zhai Sishi)..... 81
- Gyorgy Lukacs and His 'History and Class Consciousness'
(Qin Ze)..... 101
- Congratulations on the Publication of the New Edition of the
'Complete Works of Lenin'
(RED FLAG commentator)..... 105

Anarchism Is Diametrically Opposed to Socialist Democracy (Zhai Sishi).....	21-22
Theory of the 'Great Cultural Revolution' Must be Thoroughly Negated (Tan Zongji).....	21-22
The 'Great Cultural Revolution' Was Not a Revolutionary Mass Movement (Jin Chunming).....	22-23
Reading Comrade Mao Zedong's Three Letters on the History of China's Philosophy (Bian Yanjun).....	23-24
The Objective Basis of Not Changing the Policy of Invigorating the Domestic Economy and Opening to the Outside World (Zhang Qihua).....	24-25

SCIENCE AND EDUCATION

It Is Imperative To Take the Road to Reform in Developing Higher Education (Liang Chenglin).....	11-12
Information, Calculation, the Free Flow of Information in Society, and Other Topics (Hong Jiawei).....	12-13
Grasp the Two Civilizations and Carry Out the Two Constructions Simultaneously (Deng Liqun).....	13-14
Spiritual Civilization and the Spirit of Reform (Xiang Nan).....	14-15
Develop Physical Culture To Invigorate China (Xu Cai).....	15-16
Attach Importance To and Develop Traditional Chinese Medicine and Traditional Chinese Medical Science (Zhen Zhong).....	16-17
One Who Takes the Lead in Reform--The Story of Yan Jianzhang, Secretary of the Party Branch of the Xinxing Production Brigade in Lixian County (Cao Chengzhang).....	17-18
Strengthen Continued Education To Take Up the Challenge of the New Technical Revolution (Tian Fu).....	18-19

A Discourse on Aesthetic Education (Jiang Kongyang).....	72-77
The Purpose of Reforming Higher Education in Engineering Is To Raise Its Quality (Zhang Guangdou).....	73-76
Toward a New Height (Huo Maozheng).....	74-75

LITERATURE AND ART

Comrade Chen Yun and the Art of Pingtan (Chen Yong).....	13-14
An Important Correction on a Passage of the Translation of Lenin on Literature and Art (Ke Wen).....	13-12
Literature and Art Should Be Permeated With the Ideas of Modern Reforms (Chen Danchen),.....	13-62
Initiate a New Style of Literary and Art Criticism (Gao Zhanxiang).....	16-22
Reappearance of the Poetic Flavor of Life in the Countryside in Reform--Reading 'Households in the Jiwowa Village' (He Zhenbang).....	17-22
A Magnificent Work Depicting the History of the Chinese Revolution--On the Creation and Performance of 'Song of the Chinese Revolution,' a Music and Dance Epic (Zhou Weizhi).....	21-31
Open Up New Fields in the Theoretical Studies on Literature and Art (Zheng Bonong).....	22-62
Random Notes on a Visit to Korea--To the Tune of 'Zhe Gu Tian' (Xiong Fu).....	22-31
New Explorations of the Explorers--On Lu Wenfu's Creative Work in the New Period (Chen Liao).....	22-31

NEW THOUGHTS

Eliminating the 'Practice of Being Jealous' (Li Wenyou).....	22-31
'Horizontal Direction' and 'Vertical Direction' in Humanism (Jiang Xia).....	22-31

Develop the Right Weapons of Theory (Gou Feng).....	21-22
Join the Fight up to the Right Max (The Lei, Lei Shi).....	22
Stand Against Jealousy (Li Jinyuan).....	22-23
Information and breadth of Vision (Sun Kang).....	23-24
The Art of Praising (Li Shi).....	24-25
Let us City Dwellers Look at 'Weizhuang' (Sun Shijie).....	25-26

NOTES OF ENTERPRISES' LEADING CADRES

Several Points in My Understanding of Enlivening Socialist Enterprises (Wang Yezhen).....	22-23
Organizational Work Should Also 'Change Its Track and Form' (Gu Aizhao).....	23-24
Never Forget the 'Reliance on Two Things' in Enlivening Enterprises (Jiang Qisheng).....	24-25

CADRES' THEORETICAL STUDY

Speed Up Regularization of Theoretical Education for Cadres (Li Yu).....	23-24
To Readers (Editors).....	24-25
Study Marxism, Apply It in Scientific Research (He Zhongli).....	25-26
Reforms as Viewed from the Law That Relations of Production Must Be Adapted to the Conditions of the Forces of Production (Wang Mengkui).....	26-27
It Is Necessary To Study Theories in Carrying Out Reforms (Ma Junqi).....	27-28
Quicken the Pace of Urban Economic Reform--Studying Premier Zhao Ziyang's 'Report on the Work of the Government' Followed at the Second Session of the Ninth NPC (Zhao Hongling).....	28-29

'Distant Water' Can Quench 'Present Thirst' (Lu Li).....	17-62
Viewing the Reform of Commercial System From Reaction of Exchange With Production (Wan Dianwu).....	18-70
Have a Correct Understanding of Two Kinds of Supplements to the Socialist Economy (Zhong Yan).....	21-75
How We Have Conducted Regular Theoretical Education for Cadres (Propaganda Department of the Hebei Provincial CPC Committee).....	22-80
Concentrate Our Attention on Properly Studying the Document of the Third Plenary Session.....	23-79
Reform and Basic Social Contradictions (Zhang Jing).....	24-67

QUESTIONS AND ANSWERS

Why Is It Necessary To Have 'No Ceiling and No Floor' for Bonuses of Workers and Staff Members? (Min Tong).....	13-77
Will the Nature of Ownership by the Whole People of Small State-Run Enterprises Be Changed When They Are Run by Individuals on a Contract Basis? (Zheng Haihang).....	13-79
How Should We Look Upon the Question of Transferring Land Contracts? (Zheng Youyun).....	13-80
Why Do We Say That Handling Economic Relationships Smoothly Is an Extremely Important Issue at the Present Moment? (Wang Yongyin).....	14-81
Why Do We Say That in Appraising the Value of Man It Is First Necessary To Look at His Contributions to Society? (Wang Dongming).....	14-84
Why Is Common Prosperity Not Prosperity at a Par? (Li Mingsan).....	15-81
How Is the Per Capita Income of the Peasants Throughout the Country Calculated? (Hong Nongyun).....	15-84

Why Is It Necessary To Currently Stress Achieving a Simultaneous Increase of Industrial Output Value, Realized Profits, and Taxes and Profits Delivered to the State? (Huang Fuyin).....	16-79
Will Consumption Funds Be Out of Control If There Is No Ceiling for Bonuses? (Lian Cen).....	16-81
Why Is It Necessary To Reduce in a Planned Way the Kinds and Quantities of Agricultural and Sideline Products Which Are Purchased by the State in a Monopolized or Compulsory Manner? (Cai Xiangpeng).....	16-84
Why Is the Development of Specialized Households Said To Be Another Major Policy Which Follows the Output-Related System of Contracted Responsibilities? (Yuan Chongfa).....	17-64
Will Society Be Divided Into Two Opposing Extremes If Some People Are Allowed To Become Well-Off Before Others? (Zhang Luxiong).....	17-89
Is Natural Science a Productive Force Itself, or Will It Become a Direct Productive Force Only Through Transformation? (Lu Wengiang).....	17-98
How Does Technological Invention Express Its Commodity Properties? (Deng Jian).....	17-99
Why Do We Say That the Potential of Urban Economy Is Still Far From Being Tapped? (Song Tingming).....	20-70
Why Do We Say That the New Technological Revolution Represents a New Opportunity and a New Challenge in Development of China's Economy? (Zhou Fiechi).....	20-71
Why Do We Say That the Chief Criterion for Judging the Success or Failure of a Reform Is Whether It Promotes Development of the Forces of Production? (Li Si).....	21-19
Will Enterprises Owned by the Whole People Change Their Nature of Ownership by the Whole People After They Operate Independently and Assume Sole Responsibility for Profits and Losses? (Shi Baosheng).....	21-81

How Should We Look at the Vigor of Enterprises? How Should We Incorporate Enterprises? (Guo Bing).....	21-24
Why Is It Necessary To Appropriately Reduce the Scope of Mandatory Planning? (Wei Lijun).....	22-27
Why Is the State Plan Focused on Medium-Term and Long-Term Planning? What Is the Good of Doing So? (Wang Youyuan).....	22-26
Why Is It That the Development of Commodity Economy Is a Stage Which Cannot Be Bypassed in Developing the Rural Economy? (Qin Qining).....	23-24
What Are the Differences Between the Individual Economy at Present and the Individual Economy Before the Socialist Transformation? (Wang Ruijun).....	23-24
Why Do Many Still Believe in Religion in Some Countries Where Science and Technology Are Highly Developed? (Duan Jian).....	23-26
Why Are State Organs and Their Staff Prohibited From Engaging in Trade and Running Enterprises? (Xu Bing, Yin Lantian).....	24-28

STUDY MATERIALS

The Tremendous Successes Attained in the Reform of the Rural Economic Structure (Zheng Youyun).....	20-77
Experiments and Explorations in the Reform of the Urban Economic Structure in Recent Years (Song Ming).....	20-21
Some Disadvantages in the Economic System Which Had Already Been Perceived in 1956 (Zeng Zongkun).....	22-74
The Enterprises Were Not Given Decisionmaking Power When Power Was Delegated on Several Occasions in the Past (Su Siben).....	22-77
Enterprise as a Body Corporate (Wang Chaozhi).....	23-90

CRITIQUES AND ESSAYS

Enriching the People Is the First Step in Administering the Country (Zhu Yuanshi).....	13-48
RED FLAG Selects Outstanding Theoretical Articles.....	13-83
The Ability and Political Integrity of the New 'Bo Le' (Chu Shitong).....	13-84
'Doing as One Wishes' and 'Not Departing From the Rules' (Li Gengchen).....	14-87
'On Gossip' (Shi Youxin).....	15-70
In Selecting Qualified Personnel, Importance Should Be Attached to Those Who Become Qualified by Self-Teaching (Gan Feng).....	15-86
Youths and Politics (Gan Feng).....	16-67
A Powerful General Will Have Powerful Soldiers Under Him (Chu Ruigeng).....	16-87
A Brief Discussion on 'Political Maturity' (Zhang Yuyan).....	17-87
RED FLAG Holds an Awards Meeting for Outstanding Theoretical Articles (Xiao Shen).....	19-65
On 'Comparison' (Li Zhiyuan).....	19-82
Miscellaneous Talk on the Talent (Wang Chengdian).....	20-89
Welcoming Subscriptions to RED FLAG in 1985.....	21-87
People Should Be Encouraged To Think More (Zheng Zhi).....	22-87
Discourse on 'Able Persons' (Cheng Wang).....	23-93
Some Notes to the 'Reading Notes' (Lu Tingying).....	24-96

BOOK REVIEWS

Useful Exploration in Developing Introductory Historiography-- Review of 'Introduction to the Science of History' and 'Introduction to Historiography' (Jiang Dachun).....	13-65
Brief Review of 'Marx and Engels' Road of Life' (Jai Feixian).....	13-86
Useful Attempts, Valuable Efforts--Reading 'A Guide to the Principles of Mao Zedong Thought' (Fu Pou).....	14-89
'An Outline of Literature'--A Good Book To Be Recommended to the Self-Taught (Lan Ting).....	15-88
A Book Which Systematically Introduces the Agricultural Production Responsibility Systems in Our Country (He Tian).....	16-89
Recommending '100 Questions on Scientific Socialism' (Yang Lianzhong).....	17-89
An Entirely New Sort of Philosophical Book for Popular Consumption--Introducing 'Philosophical Theory and Appeal' (Peng Zhan).....	18-90
Preface to the 'Selected Excellent Theoretical Articles From RED FLAG' (Xiong Fu).....	19-67
Contents of 'Selected Excellent Theoretical Articles From RED FLAG' (1979-1983).....	19-71
A Vanguard in Urban Reform--Introducing 'Shenzhen Progresses' (Hong Chu).....	20-85
Introducing a Collection of Essays on the Question of Humanism and Alienation (Qin Guanyuan).....	20-91
An Introduction to the 'Contemporary China' Book Series (Wu Jiaxun).....	21-72
The Book 'Chinese-Style Socialist Economic Structure' Is To Be Published Soon.....	22-37
A New Book Worth Reading (Huang Weiding).....	23-95
Concise and Easy To Understand, With a Unique Style--Commenting on and Introducing 'Eight Decades of Modern China' (Hua Ren).....	24-98

SOME NOTES TO THE 'READING NOTES'

Beijing RED FLAG in Chinese No 24, 16 Dec 84 inside back cover

[Article by Lu Tingying [5713 2185 5391]]

[Text] Reading notes are not intended to be formally published. They merely amount to some personal notes made by people engaged in some studies, or amount to some reserves which can be used, like materials, raw materials, or semifinished products, in the writing of some works. Thus, the "Reading Notes and Extracts" part of Engels' "Natural Dialectics" is something of this nature.

Such reading notes generally express in a concise style the most essential part of the writer's discovery from his own studies. In these notes, little attention is paid to what is important in formally published articles, such as "introduction, elucidation of the theme, transition to other viewpoints, and summing up," or "linking, transition, explanation, balancing," and so on. Therefore, their content is relatively condensed and concentrated, their style is rather simple, and they are rather short. It is almost impossible for any reading notes to form an article in the absence of genuinely good ideas, though such ideas might just be some incomplete views or what are called "sparks of thinking." Thus, reading notes have become a form of expression of short articles. For example, Lenin's "Reading Notes by Political Commentators" is a terse, forceful, and vivid political commentary in the form of reading notes.

* * *

Commenting on "Ri Zhi Lu" [A Record of Daily Accumulation of Knowledge] by Gu Yanwu [a 17th-century scholar and thinker], Liang Qichao [a scholar, 1873-1929] said: "Probably at that time anyone who was keen to learn would invariably keep a 'reading notes book' and would write down whatever inspiring ideas they gained in reading books." He also said that this habit "actually amounted to a method of work whereby knowledge was acquired through the overcoming of difficulties and virtues are fostered through spurring on oneself through practice."

Liang also said: "At that time, in writing books, top scholars always declined to write anything beyond the original inspiring ideas they

personally acquired in reading books. In the writing of a proper book or proper article, because of the relatively broad range of the contents, redundant expressions not representing one's original inspired ideas would inevitably be used to make the book or article complete. The scholars did not like this and would rather record their own ideas in the form of reading notes." (All these quotations are from "A General Discourse on Academic work in the Qing Dynasty.") Here, Liang explained one of the reasons why reading notes were very popular, with considerable exaggeration. Of course, his comments also reflect a characteristic of the method used in China in the past in the writing of literary and historical works.

In studying a work, we must definitely attach adequate importance to a study of whether it is scientific and systematic and to a study of the relevant citations and proofs. Although one's inspiring ideas acquired from reading should be a record of the results of thinking and studying and might be unrefined, they must not be construed as a record of one's random thoughts. However, what is recorded in reading notes merely consists of some rough ideas which must be further refined and must be further generalized in a more systematic study. Therefore, we must not overly extol the superiority of reading notes.

However, in the writing of short articles, it should be solemnly noted that we must not "use redundant expressions not representing our own inspired ideas to make an article complete." In writing short articles, it is really essential that the ideological content be vivid and redundant expressions be avoided.

* * *

"It is desirable that literary styles should be concise, and it is imperative to avoid 'wordiness in expression.'" This can probably describe a fine tradition followed by some outstanding articles in the form of reading notes in past Chinese literature. Thus, it was very reasonable for Liang Qichao to consider this literary style as an element of the "style of academic work" of the "Fu School" [a school specializing in the critical interpretation of, and textual research concerning, ancient texts and Confucian classics] of the Qing Dynasty. Literary style is really a form of expression of the style of academic work.

However, a writer must make tremendous efforts if he wants to become capable of writing articles that are simple in style but not dull, that are concise but not crude or inadequate, that are without redundancies but not undermined in richness of content, or that are, in a word, short though not representing a neglect of quality.

"Wenxin Diaolong" [an ancient classic on the theory of literature] says: "When the trunk is sturdy, the tree will blossom well"; and, "a richly embellished work which is empty in content will not be pleasing to read." These remarks are very good guidelines. In "Lunwen Guanjian," Huang Zongxi [a 17th-century scholar, thinker, and historian] said: "When what the writer understands well is freely written out with great ease, the resulting work will be of the highest standard." On the other hand, "if the writer does not fully understand the subject matter and has to exhaust his energy in juggling with words and expressions," it is a really poor method.

CONCISE AND EASY TO UNDERSTAND, WITH A UNIQUE STYLE--COMMENTING ON AND INTRODUCING 'EIGHT DECADES OF MODERN CHINA'

Beijing RED FLAG in Chinese No 24, 16 Dec 84 outside back cover

["Book review" by Hua Ren [5478 0086]]

[Text] "Eight Decades of Modern China" (published by the People's Publishing House of Shanghai) is concise, easy to understand, and written in a unique style. Its chief editor is Comrade Chen Xulu [7115 2485 7785]. The following are its main characteristics:

1. It features a new style of presentation. One of the traditional styles of presentation adopted by writers of historical records in our country is the "chronicle of complete events." The advantage of this style is that every event is fully described from beginning to end and clearly elucidated. The style of this book basically embodies the "chronicle of complete events." The book contains 33 chapters, each of which is divided into a number of subtopics. Each chapter not only forms an independent piece of reading, but also exists as an integral part of the whole work which is closely linked to preceding and subsequent parts, so that reading is made easy. In other works, the usual pattern is that some 10 major events, such as the Opium War, the Taiping Heavenly Kingdom, and so on, are separately dealt with. This book is a departure from this pattern. In other works a comprehensive chronological order is often stressed so that historical events are broken up into fragmentary pieces of descriptions. This shortcoming has also been avoided in this book. Thus, this book gives the reader a fresh feeling.

2. New fruits of study are embodied in this book. It incorporates historians' new achievements over the past several years arising from the teaching of and research on modern Chinese history. These achievements are incorporated in various relevant chapters and topics. For example, things in Chapter 1, "China in the Age of Seclusion and the World," and Chapter 4, "China Being Shaken," are not described in detail in ordinary teaching materials. This book also emphatically narrates and comments on the major events occurring in the Shanghai area and the important personalities concerned. Its contents include developments ranging from the appearance of concessions in Shanghai to the activities of the customs authorities, banks, industry, and commerce; developments ranging from the Xiaodao [Small Sword]

Society Uprising in Shanghai, the three attacks against Shanghai by the Taiping Heavenly Kingdom army, the "Subao" case, the anti-American patriotic campaign of 1905, to worker movements of the earlier periods, and so on.

3. New ideas abound in its narratives and expositions. The modern history of China is a history of the Chinese people's struggle against imperialism and feudalism. Of course, there are also other major issues, like learning from foreign countries and from the West, an endeavor which is specifically reflected in getting to know the world and seeking new theories; the exploration of new theories; the launching of social reforms; the promotion of the modernization of society; and so on. While fully expounding anti-imperialist and antifeudal struggles, the book also appropriately appraises the efforts of many patriotic intellectuals, who have a realistic spirit, in starting reforms and revolutions for the sake of the destiny of the motherland and the nation. This is precisely the point ignored by some books of the same kind written in the past. The book clearly distinguishes important things from less important ones and is true to life. Reading it helps one obtain a deeper and more concrete understanding of the following clear and unambiguous conclusion which has been proved to be correct by historical developments over the past century: "Only socialism can save China."

4. Written in a popular style, this book is easy to read. Although it contains more than 300,000 characters in nearly 600 pages, it is not difficult to read because it describes things clearly and with a relatively appropriate degree of elaboration or brevity. It contains 84 photographs and 12 maps. The combination of writing and illustrations gives the reader a deeper impression. Some topics are very vividly written, integrating narrative with comments and historical facts with expositions; they are written like a story and can arouse the reader's interest.

As a popular theoretical work, this book is a bit too long. Moreover, as a complete book on modern Chinese history, it should describe the development of science, technology, literature, and art in modern times. If two or three more topics are added to cover these areas, the book will be more perfect.

CSO: 4004/15

END

END OF

FICHE

DATE FILMED

28 Feb 1985

